







**Joint GSMA / ETNO response to  
BEREC Consultation on a Report on  
IP-Interconnection Practices in the Context of Net Neutrality**

**5 July 2017**

The GSMA and ETNO welcome the opportunity to comment on BEREC's draft report on "IP-Interconnection practices in the context of net neutrality". We share BEREC's conclusions in respect to the competitiveness of market mechanisms:

- It is evident that global IP traffic is growing, notably due to the use of video and decline of prices within the ecosystem.

		2015	2020
More Internet Users		3.0 Billion	4.1 Billion
More Devices and Connections		16.3 Billion	26.3 Billion
Faster Broadband Speeds		24.7 Mbps	47.7 Mbps
More Video Viewing		70% of Traffic	82% of Traffic

Source: Cisco VNI Global IP Traffic Forecast, 2015–2020

- The internet ecosystem has adapted well to traffic volume growth and demands, while price declines for transit and CDN services as well as declining data packets costs driven by new technologies and continued upgrades of peering and on-net connections (e.g. from 10 Gbps to 100 Gbps) clearly signpost a healthy competitive environment.
- As precedent has illustrated, we fully support BEREC's view that where disputes arise these can be resolved without regulatory intervention. Regarding congestion, real issues are occasional, and have been dealt with through commercial discussion. Related disputes are rather rare in Europe; BEREC's reference to the Netflix/Comcast US case illustrates the paucity of European cases. References to competition cases also demonstrate that existing tools are sufficient to address any specific matter occurring in those markets.
- A cause of congestion could be notably the non-upgrade of port capacity following traffic evolution, but as rightly recognised by BEREC, it is an evolving feature that



shows in fact the efficiency of market adjustment mechanisms. In any case it is positive to read that even if congestion or dispute happens it is not really harmful for the consumer.

- The usage of paid peering increases; this is a well suited mechanism notably for unbalanced exchanges that contributes to the economic efficiency of the overall interconnection system. However, transit will not become obsolete. Economic trade-offs between peering and transit arrangement exists and competitive pressure will continue to force flexible responses driven by economic factors.
- The report also mentions the deployment of networks by CAPs that contributes to increase in transport capacity and competition, which are elements to be taken into account when discussing level playing field issues.
- While we are very supportive of the overall report, the GSMA and ETNO kindly request BEREC to not use nor to make references to measurements made by third and interested parties when such measurements are not made on behalf of an NRA, that according to Article 4(4) and with paragraph 161 of the BEREC guidelines on Net Neutrality cannot be considered as a certified monitoring mechanism. Consequently, the last paragraph of clause 6.1.3 should be removed from the final report.

The GSMA and ETNO members agree with the BEREC conclusion that IP arrangements are highly dynamic and will continue to evolve competitively driven by innovation in transport networks, price competition and continued investment in flexible forms of network capacity. We therefore fully support BEREC's recommendation that there is no need for regulatory intervention and that monitoring of market practices is sufficient.