

Brussels, 29 May 2012

Vice-President Kroes to propose action on consumer choice and "net neutrality"

When it comes to the issue of "net neutrality" I want to ensure that Internet users can always choose full Internet access – that is, access to a robust, best-efforts Internet with all the applications you wish.

But I don't like to intervene in competitive markets unless I am sure this is the only way to help either consumers or companies. Preferably both. In particular because a badly designed remedy may be worse than the disease - producing unforeseen harmful effects long into the future. So I wanted better data before acting on net neutrality.

One year ago, I asked BEREC, the body of European network regulators, to give me the evidence: are users provided with the right quality of service? How much blocking and throttling is taking place? In practice, how easy is it for users to "switch" operators or services? In short, how easy is it for consumers to transparently choose the service that works for them, including full Internet access if they want it?

I also asked European national legislators and regulators to wait for better evidence before regulating on an uncoordinated, country-by-country basis that slows down the creation of a Digital Single Market.

BEREC has [today](#) provided the data I was waiting for. For most Europeans, their Internet access works well most of the time. But these findings show the need for more regulatory certainty and that there are enough problems to warrant strong and targeted action to safeguard consumers.

For the first time we know that at least 20%, and potentially up to half of EU mobile broadband users have contracts that allow their Internet service provider (ISP) to restrict services like VOIP (e.g. Skype) or peer-to-peer file sharing.

Around 20% of fixed operators (spread across virtually all EU member states) apply restrictions such as to limit peer-to-peer volumes at peak times. This can affect up to 95% of users in a country.

At the same time, in nearly all Member States, most if not all ISPs offer fixed and mobile Internet access services that are not subject to such restrictions. According to the BEREC figures 85% of all fixed ISPs and 76% of all mobile ISPs propose at least one unrestricted offer. So the market is generally providing choice, but in some countries the choices are quite limited in some EU countries.

But are customers really empowered to choose well? Do they realise what they are signing up for? I didn't read all the pages in my mobile contract and I bet you didn't either! I believe we all need more transparent information.

Given that BEREC's findings highlight a problem of effective consumer choice, I will prepare recommendations to generate more real choices and end the net neutrality waiting game in Europe.

First, consumers need clear information on actual, real-life broadband speeds. Not just the speed at 3 am, but the speed at peak times. The upload as well as the download speed. The minimum speed, if applicable. And the speed you'll get when you're also watching IPTV as part of your triple-play bundle, or downloading a video on demand via a premium "managed" service. Plus, you should know what those advertised speeds typically allow you to do online

Second, consumers also need clear information on the limits of what they are paying for. Clear, quantified data ceilings are much better than vague "fair use" policies that leave too much discretion to Internet Service Providers (ISPs). They allow low-volume users to look for deals that suit them. And they incentivise ISPs to price data volumes in ways that reflect costs, and so support investment in modernising networks as traditional voice revenues decline.

Third, consumers also need to know if they are getting Champagne or lesser sparkling wine. If it is not full Internet, it shouldn't be marketed as such; perhaps it shouldn't be marketed as "Internet" at all, at least not without any upfront qualification. Regulators should have that kind of control over how ISPs market the service.

But I do not propose to force each and every operator to provide full Internet: it is for consumers to vote with their feet. If consumers want to obtain discounts because they only plan to use limited online services, why stand in their way? And we don't want to create obstacles to entrepreneurs who want to provide tailored connected services or service bundles, whether it's for social networking, music, smart grids, eHealth or whatever. But I want to be sure that these consumers are aware of what they are getting, and what they are missing.

Our guidance will make it easier to "switch" service providers, and service offers, so that you can choose the market offer that suits you best. And I will continue to monitor the market to ensure that European consumers generally have access to competitive full Internet products, fixed and mobile.

At the same time, products that limit Internet access often require monitoring of online traffic, through so-called "packet inspection". This raises privacy concerns, and we need clear guidance on responsible behaviour by ISPs; and on how consumers can exercise effective and informed control if they opt for such products.

I am in favour of an open Internet and maximum choice. That must be protected. But you don't need me or the EU telling you what sort of Internet services you must pay for.