

TV & VoD STATEMENT ON NETWORK FEES

BRUSSELS, 8 JULY 2022. ACT members wish to express their concerns following recent statements on creating a network fee to finance telecom infrastructures. We understand the need for strong, widely available telecoms infrastructure in Europe which, among other things, helps European consumers access high quality TV and VoD services. However, ‘taxing’ high bandwidth services is counterproductive and risks having unintended consequences, including on consumer rights and net neutrality principles. To this end, **we strongly oppose any calls for network fees or other types of ‘direct contributions’ to finance the ongoing telecoms infrastructure development in Europe.**

Broadcasters and on demand services are already subject to vast investment obligations and levies to support European culture and diversity, often representing double-digit proportions of their total revenues. Similarly, we all contribute through taxes and jobs. Conversely, those obligations do not apply to video-sharing platforms and social networks¹ which benefit from large regulatory asymmetries and with which AVMS providers now compete directly. Additionally, ACT members are already investing significantly in content delivery networks, directly or via partners, to ensure a smooth delivery of their content. Furthermore, our sector supports ISPs by allowing Europeans to derive value from the premium broadband connections they purchase from the telecoms companies to watch our content.

The statements we have seen indicate an intention to generate network fees based on bandwidth use. Besides the complete lack of accurate evidence provided to corroborate such plans, requiring AVMS providers, among others, to pay direct contributions to large telecom companies would cause a number of issues; not just to the audiovisual industry, but to the European creative sector as a whole, including for consumers and on pricing. More money paid in network fees would in fact mean less money to invest in content, which in turn means less content available or lower quality content. **This is unacceptable.**

ACT understands the asymmetries – certain tech companies have profited from operating unregulated in Europe, hence our support for the DSA and DMA, which if implemented properly can help to address these regulatory asymmetries. However, imposing any new form of network tax or direct contribution obligations would not be an appropriate solution to fix any of these concerns.

Furthermore, the creation of a network tax risks undermining net neutrality – a principle that lies at the heart of telecoms and technology policy and has helped protect media plurality since the birth of the internet. Network fees represent a slippery slope, risking both the cost and quality of distribution for AV and other services; and with it, potentially restricting European consumers’ access to a rich and varied offers of original European content. This would set a bad and dangerous precedent for Europe – one that we cannot condone.

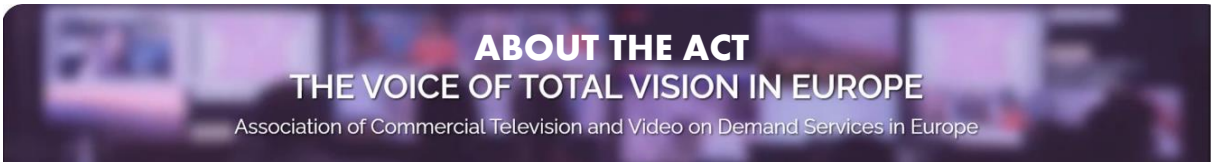
For these reasons, we ask European policy-makers to reject calls for network ‘fees’ or direct contributions to be paid towards telecom infrastructure companies, and urge the institutions to thoroughly consider the wider implications before taking any actions that would directly or indirectly impact the stability and sustainability of the European audiovisual industry (and consumer rights) as a whole.

We naturally remain at the disposal of all policy-makers to share the experiences of our sector, which has been at the forefront of job creation, innovation, investment and sustainability in Europe, directly employing over 1.1 million people² and at the heart of European cultural diversity.

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¹ For example Facebook, Youtube, TikTok

² https://www.rebuilding-europe.eu/files/ugd/4b2ba2_1ca8a0803d8b4ced9d2b683db60c18ae.pdf



ACT member companies finance, produce, promote and distribute content and services benefiting millions of Europeans across all platforms. At ACT we believe that the healthy and sustainable commercial broadcasting & VoD sector has an important role to play in Europe's economy, society and cultures. ACT members are at the heart of Europe's media landscape; embracing the digital environment and continuously providing new services, formats and content to meet the growing European demand for quality content on various distribution models.

Please note that Groupe TF1 and United Media do not endorse this statement.