France delays move to make Web giants pay for networks

Leila Abboud, Reuters

(Reuters [1]) - France [2] backed away from legislation to make Internet companies including Google pay for the burden they place on telecommunications networks, opting instead to ask a commission to study the controversial issue.

Fleur Pellerin, junior minister for the digital economy, said the government would ask the National Digital Council, a panel of tech experts and entrepreneurs, to evaluate whether a law was needed and how it might work.

A decision on how to proceed is due by late February.

France's Socialist government is concerned that Web giants weigh down networks with traffic without contributing to telecom companies' investments in high-speed systems, echoing a position held by European telecom operators.

Big Web companies like Facebook, Google and Netflix reject the idea of paying telecom operators to have their content reach customers.

Many argue they already pay for bandwidth through private deals with "content delivery networks" or sometimes directly with telcos or cable companies.

Internet activists also oppose paying extra because it would create two-speed networks and violate the net neutrality principle that all traffic on the Internet is treated equally regardless or its source or destination.

France's debate on net neutrality and who should finance [3] networks arose early in January when the country's second-biggest broadband provider Iliad launched a feature to automatically block online advertisements.

The company withdrew the facility after an outcry from Web publishers and Internet activists, but not before Pellerin said it had a point.

"What solutions do Internet providers have when faced with content providers who use their networks but don't invest in them?" Pellerin said last week.

"We need to ask serious questions about how Web companies can put some money [4] into networks."

Iliad's move was widely seen as a shot across the bows of Google because the French broadband provider has long sought, unsuccessfully, to get the search engine, whose business model is based ad revenue, to pay for the traffic it sends to French customers.

Iliad also acknowledges it slows down video-sharing site YouTube [5] at peak hours, arguing that it congests the networks.

In France, Google has signed deals with Cogent and France Telecom to deliver its content to French web users.

Net neutrality has been debated by governments and companies all over the world in recent years as the Internet has grown in influence and reach.

Only the Netherlands, Chile and Slovenia have passed laws guaranteeing net neutrality.

In the United States and most of the European Union, regulators [6] have adopted a more hands-off approach in which companies reach commercial contracts amongst themselves.

Asked why the French government had decided to wait instead of proposing a law now, an adviser to Pellerin said there was not yet consensus among the various players [7].

"For there to be a draft law, there would have to be a minimum of consensus between the various actors," said the adviser. "The debate today showed that we are a long way off."

(Editing by David Cowell)

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