

October 25, 2015 (Updated October 26, 2015 11:45AM PST)

President of the European Parliament Martin Schulz
Pilar del Castillo Vera
Patrizia Toia
Vicky Ford
Jens Rohde
Marisa Matias
Michel Reimon
Dario Tamburrano
Members of the European Parliament

Dear President Schulz and members of the European Parliament,

We are writing on behalf of technology companies and investors in the United States and Europe to reiterate our support for strong network neutrality protections around the globe and to share our concerns with proposed legislation that the European Parliament will consider on Tuesday, October 27, 2015.

We believe the United States Federal Communications Commission's June 2015 Open Internet Order provides a strong framework to keep the Internet free and open. The Order provides bright line rules to prohibit Internet Service Providers (ISPs) from blocking and slowing down traffic between consumers and websites and from creating online "fast lanes" by charging websites to deliver traffic to their users. These rules foster innovation, competition, and infrastructure deployment. U.S. companies would have not been able to compete or flourish without it. We want all companies around the world to enjoy the same protections.

Unfortunately, the proposal before the Parliament contains four major problems that undermine network neutrality and threaten to undermine the EU technology industry. Specifically, the current proposal permits the following harmful practices:

- **Fast Lanes:** Allows ISPs to offer fast lanes to companies that can afford to pay through the broadly defined "specialized services" exception. If some companies can pay to be in a fast lane, it will be more difficult for EU residents to access websites that can't afford to pay extra fees. EU-based start-ups and small businesses would be left behind, unable to compete.
- **Zero-rating:** Generally allows zero-rating and gives regulators very limited ability to police it, leaving users and companies without protection against all but the most egregious cases. Zero-rating, the practice of not counting a consumer's usage of certain applications against users' monthly bandwidth caps, creates the same harms to innovation and competition as fast lanes as it is typically provided for payment.
- **Class-Based Discrimination:** Allows ISPs to define classes and speed up or slow down traffic in those specified classes, even if there is no network congestion. This

class-based discrimination distorts competition, stifles innovation, harms users, and hurts providers who encrypt traffic by putting all encrypted traffic in the slow lane.

- **Impending Congestion Management:** Allows ISPs to prevent “impending congestion”; this highly-subjective standard effectively gives ISPs the right to slow down traffic anytime, not just during times of actual congestion.

These problems jeopardize the future of the startup innovation and economic growth in the EU. They also create barriers for U.S. startups and businesses seeking to enter the EU market. We believe that the future of the open Internet in Europe is at stake and urgent action is warranted.

Fortunately, members of Parliament have proposed key amendments that would effectively address all of these problems.¹ If adopted, these amendments would secure strong and meaningful network neutrality protections for the EU – and for U.S. companies and speakers interacting with Europe. We respectfully urge members of Parliament to adopt the proposed amendments.

Sincerely,

Allied for Startups
Automattic, Inc. (WordPress.com)
BitTorrent
Brad Burnham, Union Square Ventures
Mike Butcher, TechCrunch
Coalition for a Digital Economy (Coadec)
Cogent
Contextly
Frederic Court, Felix Capital
Distinc.tt
Engine Advocacy
Etsy, Inc.
EyeEm
Factory
Brad Feld, Foundry Group
Founders Forum
Foursquare
Nick Grossman, Union Square Ventures
Hussein Kanji, Hoxton Ventures
Innotech Network
kapper.net
Kickstarter, PBC
Seth Levine, Foundry Group

¹ Amendments 2-24, available at <http://www.europarl.europa.eu/plenary/en/report-details.html?reference=A8-0300-2015>.

Meetup, Inc.
Jason Mendelson, Foundry Group
Ryan McIntyre, Foundry Group
Netflix
Dr. Maximilian Niederhofer, Sunstone Capital A/S
Kevin Laws, COO of Angellist
Ciarán O'Leary, Earlybird Venture
David Pakman, Venrock
Federico Pirzio-Biroli, Playfair Capital
PROfounders Capital
Reddit
Rentify
Roma Startup
Seedrs
Sean Seton-Rogers, PROfounders Capital
Silicon Allee
Marta Sjögren, Northzone
SoundCloud Limited
TechHub
Sitar Teli, Connect Ventures
TransferWise
Tumblr, Inc.
Twilio
Ubertweek GmbH
Vimeo
Fred Wilson, Union Square Ventures
YPlan
Jeppe Zink, Northzone

cc: Commissioner Günther H. Oettinger, Vice President Andrus Ansip