

## Putting the Digital Networks Act (DNA) in the Right Perspective

Europe

# WHY MANDATING IP DISPUTE RESOLUTION INEVITABLY LEADS TO EU-WIDE NETWORK FEES

**Mandating dispute resolution for IP interconnection would inevitably create network fees.**<sup>1</sup> It means allowing certain large internet service providers (ISPs) to demand payments from content delivery networks (CDNs) and content and application providers (CAPs) in order for traffic to reach telcos' subscribers.

Legally imposing dispute resolution is completely unnecessary, as the IP interconnect market already works well. First of all, IP interconnection disputes are extremely rare: out of millions of interconnection relationships in Europe, there were less than a dozen disputes in the last decade.<sup>1</sup>

Moreover, in those rare cases, the current system for resolving IP disputes has already proven to be very capable – relying on a mix of market dynamics and existing legal frameworks.

## How a few dispute resolution cases will result in network fees

Large telecom operators' demands for dispute resolution will inevitably lead to network fees. This is not about solving a market problem. Telcos want to create a new revenue stream to get paid twice for the same traffic. Here's how they could make it happen in three simple steps:<sup>1</sup>



### 1. TRIGGER AS MANY DISPUTES AS POSSIBLE

By triggering repeated disputes with CAPs and CDNs, large ISPs will try to establish precedents of network fees being mandated for peering.

By multiplying disputes, and counting on the precedent setting nature of dispute resolution, eventually enough cases will go their way.



### 2. MAKE SETTLEMENT FREE THE EXCEPTION

Today, close to 100% of all peering agreements are settlement free. But large telcos want that norm to become the exception.

Even if resolutions land 'between' settlement-free and mandated paid peering, network fees still arise: because an amount of money is decided, while none existed before.



### 3. KILL FREEDOM TO OPTIMISE INTERCONNECTION

The introduction of forced peering through dispute resolution, as considered by the Commission, would only reinforce large telcos' existing dominance over end customers.

And so, the freedom to establish interconnection in the most effective way would be eliminated.

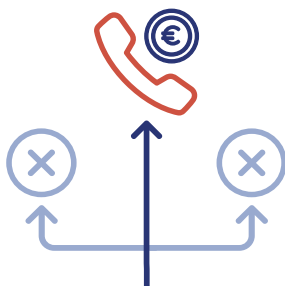
The adoption of such a ‘**sending party pays**’ regime would undermine the proper functioning of the **internet**. It would effectively introduce a ‘double dipping’ new revenue stream for large ISPs that internet users would end up paying for.

## HOW DISPUTE RESOLUTION WILL TURN TELCOS INTO GATEKEEPERS OF THE INTERNET



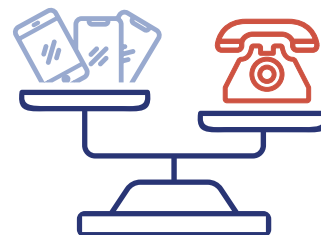
### ENTRENCHING BIG TELCO POWER.

- ▶ Already today, certain large vertically integrated ISPs – predominantly incumbent telecom providers who inherited national monopolies – are leveraging their market power.
- ▶ They force CAPs and CDNs into paying fees higher than the norm in order to reach their subscribers.
- ▶ Any form of mandated resolution would only legitimise this practice of “strongarming other networks to pay to deliver traffic demanded by the ISP’s end users”<sup>1</sup>.



### NO CHOICE.

- ▶ Every entity, from small businesses to national broadcasters, would be put in a position where they must pay large ISPs.
- ▶ Payments would be made either directly, or indirectly via transit providers, in order to reach end users in the EU.
- ▶ There simply would be no way around the ISP’s network.



### SMALL PLAYERS LOSE MOST.

- ▶ Smaller ISPs would be put “at a comparative disadvantage”<sup>1</sup> and not benefit from fees due to their smaller customer base.
- ▶ Likewise, small and medium-sized online content providers, who rely more on transit services, would be harmed disproportionately.

<sup>1</sup> Study on the negative impacts of mandated dispute resolution in IP Interconnection, Plum Consulting, July 2025, available here: <https://plumconsulting.co.uk/study-on-the-negative-impacts-of-mandated-dispute-resolution-in-ip-interconnection/>

### About CCIA Europe

The Computer & Communications Industry Association (CCIA) is an international, not-for-profit association representing a broad cross section of computer, communications, and internet industry firms.

As an advocate for a thriving European digital economy, **CCIA Europe has been actively contributing to EU policy making since 2009.**

CCIA’s Brussels-based team seeks to **improve understanding of our industry and share the tech sector’s collective expertise**, with a view to fostering balanced and well-informed policy making in Europe.



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