|  |  |
| --- | --- |
| **Council Working Group on International Internet-related Public Policy Issues**  **Open Consultation** |  |
| **Geneva, 18 September 2017** |  |
|  |  |
| **United States** | |
| us government response to the CWG-I Open Consultation | |

**Public Policy Considerations for OTTs**

**Introduction**

The United States is pleased to participate in the Open Consultation on Over the Top (OTT) offerings. Although OTTs are being addressed in ITU-T and ITU-D, we believe this open consultation will shed further light on OTTs’ promise in promoting a digital economy that is beneficial to all. We welcome the opportunity provided by this open consultation to hear from a range of interested stakeholders and to learn from their experiences, either in providing or using such offerings. From the U.S. perspective, the CWG-Internet Open Consultations are a critical and indispensable opportunity within the context of CWG-I for obtaining the views of all stakeholders, including those with hands-on operational expertise. Evidence to date suggests that OTTs benefit consumers, help create and grow domestic digital economies, and produce an overall beneficial effect on national economies as a whole.

**Discussion**

OTTs are both a consequence and an illustration of the digital transformation of the telecommunications industry. OTTs have proven especially valuable in bringing new business opportunities to small and medium sized enterprises and providing ways to connect and help address health and disaster crises, thereby providing considerable benefits to consumers and governments. Traditional telecommunications operators and OTT offerings have a symbiotic relationship – OTTs create demand for telecommunications services and increased demand for telecommunications services means increased revenues for providers.

Crucially, OTTs have flourished where innovation is encouraged and regulation – if it exists at all – is lightly tailored. Moreover, traditional telecommunication operators are increasingly embracing OTT offerings. The 2017 White Paper on Digital Transformation Initiative by the World Economic Forum includes case studies from South Korea, France, and Spain, where traditional telecommunication operators have benefitted from OTT offerings, including mobile banking and digital streaming.[[1]](#footnote-1) Similarly, operators in Namibia, South Africa, and Kenya are offering OTTs in ways that boost those countries’ overall GDP.

**Conclusion**

While the introduction of innovative services and applications, including OTTs, has enabled telecommunications service providers to move beyond voice and data services, creating new opportunities, others have pointed to increased competition from OTTs and declining revenues. To address declining revenues, some have proposed “leveling the playing field” between different providers of similar offerings by imposing legacy telecommunications regulations on OTT offerings. The United States strongly believes that the imposition of legacy telecommunications regulations on OTT and other innovative offerings would not only be detrimental to creating a robust digital economy but would also lead to a decline in societal benefit.

The United States has practiced a light-touch regulatory approach, which we believe has led to the phenomenal growth of OTT offerings in our territory. We have largely refrained from promulgating regulations for specific services or applications because we believe our existing consumer protection, privacy, intellectual property rights protection and enforcement, and competition law remains applicable and effective.

The speed at which OTT offerings are being created by talented developers in every part of the world indicates that innovation can flourish in the right policy environment. Considering the importance of OTTs in the digital economy, we believe policy makers should concentrate on creating an enabling environment that provides regulatory certainty, resulting in investment, innovation, and competition.

1. World Economic Forum, White Paper, Digital Transformation Initiatives: Telecommunications Industry, January 2017 [↑](#footnote-ref-1)