

Mozilla Corporation

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Mr. Ki-Young Choe,
Minister of Science, Technology and ICT,
South Korea

5 October 2020

To the Hon'ble Minister Choe,

As a global champion of net neutrality and an open internet, we urge you to reconsider the Telecommunications Business Act (TBA) amendments which violate the principles of net neutrality and would make the South Korean internet less open. Forcing websites (content providers) to pay network usage fees will damage the Korean economy, harm local content providers, increase consumer costs, reduce quality of service, and make it harder for global services to reach South Koreans. While we recognise the need for stable network infrastructure, these amendments are the wrong way to achieve that goal and will lead to South Korea to be a less competitive economy on the global stage.

Forcing websites to pay ISPs is against the principles of net neutrality

As Mozilla has stated [before](#), the diversity of the Web fundamentally depends on ISPs treating all content transmitted over the internet equally, regardless of the sender or the receiver. The internet has been a source of incredible societal and economic empowerment as it allows information and e-commerce to seamlessly flow across geographical barriers. This seamless operation takes place due to the careful delineation of responsibilities between internet service providers (ISPs such as Korea Telecom and LG) and content providers (such as YouTube and Naver). These responsibilities ensure that users can access

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online services in a reliable and cost effective manner. They also simultaneously allow new websites to reach users without any additional cost or friction compared to dominant players, which is core to the idea of net neutrality.

These TBA amendments shift responsibilities that have traditionally been carried out by ISPs to websites and content providers. Going against globally accepted practices, the amendments will make websites, instead of ISPs, responsible for ensuring users have a stable network experience, free from technical challenges such as delays in a website opening or slow download speeds. By extension, this will force websites either to pay local ISPs for hosting their caching servers to provide stable service or to face administrative fines for not hosting infrastructure within South Korea. This choice between a rock and a hard place violates net neutrality, as only content providers that can pay these network caching/usage fees will be able to reach users in a reliable manner, effectively letting ISPs [act as content gatekeepers](#). Similar sending-party-pays measures have been [floated multiple times at the International Telecommunications Union \(ITU\)](#) and have always failed to gain consensus due to similar concerns. They make the internet operate closer to legacy forms of communication such as televisions and landline phones, which negates the internet's radically dynamic and resilient nature.

These violations will harm the South Korean economy and internet in the following ways:

- **Undermining competition:** Such a move unfairly benefits large players, effectively preventing smaller players who can't pay these fees or shoulder equivalent obligations from competing against them.

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Limiting its application only to those content providers meeting certain thresholds of daily traffic volume or viewer numbers will not solve the problem as it deprives small players of opportunities to compete against the large ones. In the South Korean local content ecosystem where players such as Naver and Kakao are being forced to pay [exorbitant](#) fees to ISPs to merely reach users, the oppressive effects of the service stabilization costs will only trickle down to become entry barriers.

- **Limiting access to global services:** This move will also force content providers from all over the world who want to reach South Korean users to either pay local ISPs or be penalised by the Korean government for providing unstable services. Many will likely choose to not offer services in South Korea rather than comply with this law and incur its costs and risks.
- **Technical infeasibility:** Requiring content providers to be responsible for service stability is impractical in the technical design of how the internet operates. Last mile network conditions are largely the responsibility of ISPs and is the core commodity they sell to their customers. Network management practices can have an outsized impact on how a user experiences a service, such as latency and download speeds. Under the amended law, a content provider, who has not been paid for the delivery of its contents by anyone, could be held liable for actions of the ISP as part of routine network management practices, including underinvestment in capacity, which is both unfair and impractical.



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- **Driving up consumer costs:** When it comes to consumers, content providers will likely pass the costs associated with these additional fees and infrastructure along to them, potentially creating a dystopian scenario of users and content providers paying greater fees for an overall decrease in quality of service. Consumers will suffer from an overall decrease in quality of service as providers who refuse to install local caches due to mandatory fees will be forced to use caches outside the territory of Korea (and will therefore be significantly slower, as we [saw](#) in 2017).

The COVID-19 pandemic has made clear that there has never been a greater need for an open and accessible internet that is a public resource available to all. This law, on the other hand, makes it harder for the Korean internet infrastructure to remain a model for the world to aspire towards in these difficult times. Moreover, the Korean economy is already under strain from the effects of the pandemic, and this law would only put further stress on Korean businesses and users. Due to these concerns, we urge the Ministry of Science and Information Communication Technologies to revisit the TBA amendment as a whole. We remain committed to engaging with the government and ensuring South Koreans enjoy access to the full diversity of the open internet.

Warm regards,

Raegan MacDonald
Head of Public Policy
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