

EU regulators could make streaming apps pay for infrastructure

Article

The news: European Union officials are considering making major streaming providers like **Netflix** and **YouTube** help pay for 5G and fiber infrastructure, per [Bloomberg](#).

For years, European providers complained about over-regulation, declining revenues, an overcrowded market, and freeloading streaming and tech companies.

Policy shift favors telecoms: The move is part of a “fair share” initiative to make data-heavy businesses like tech and streaming companies help [pay for the traffic they generate](#).

- A commission draft states, “Metaverses and virtual worlds, the rapid move towards cloud, the use of innovative technologies online are making it more evident that more needs to be done to protect investment in network infrastructure.”
- Other telecom-friendly policies on the table include enabling cross-border mergers and potential telecom and carrier consolidations. These could result in a genuine single market for European telecoms.
- EU’s competition chief, **Margrethe Vestager**, supports the idea as long as it doesn’t reduce competition in individual EU countries.

What this means for EU’s telecom operators: Offsetting some of the cost to build and maintain networks can enable cable and network providers to expand more freely and improve reach and quality of service without depleting their budgets.

- **Partnerships between network providers across borders will help spread out the cost of innovation** and improve services for customers.
- Necessary network infrastructure upgrades help support more demanding applications, such as streaming video, video conferencing, gaming, and VR and metaverse apps.

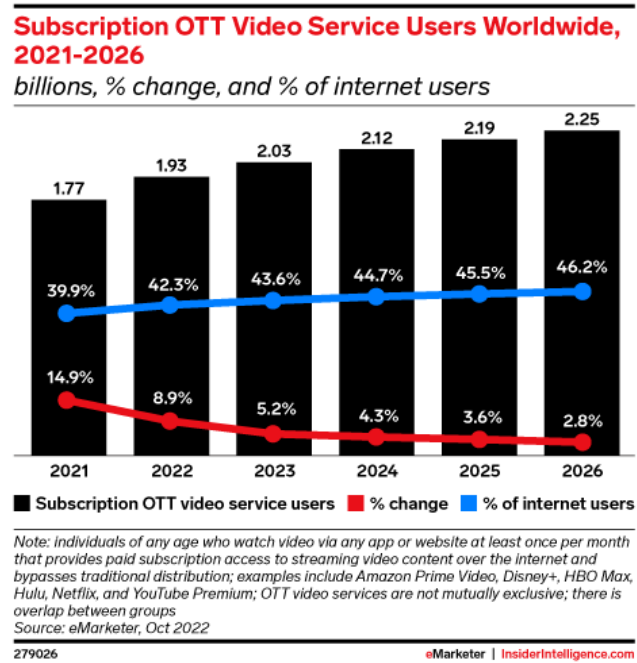
What this means for streaming providers and tech companies: Video streaming services and apps have grown exponentially over the past three years and are facing increased calls for investment in networks.

- Australia is looking to require streaming platforms like Netflix, **Amazon Prime Video**, and **Disney+** to spend a portion of their Australian-derived revenues on local television and films, per [The Conversation](#).
- Consultants in California are urging local officials to consider implementing a utility users tax on streaming providers as a type of “user fee” for accessing public space for services, per [The Orange County Register](#).

Key takeaway: Initiatives to require streaming services to pay to use infrastructure and utilities come at a time of slowing growth for streaming.

The cost of doing business will likely be passed on to customers, which could lead to a drop in subscriptions or even more ad-supported tiers.

Dive deeper: Read our [Worldwide Subscription OTT Users Forecast 2023](#) to get the latest analysis on streaming video services.



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