

VIMEO, INC.

Michael A. Cheah
General Counsel

May 26, 2017

Bundesnetzagentur
Postfach 8001
53105 Bonn
Germany

Re: Commentary regarding StreamOn Zero-Rating Program

Dear Sir or Madam:

Vimeo, Inc. (“Vimeo”) hereby submits the following comments regarding the Bundesnetzagentur’s investigation of Deutsche Telekom’s zero-rating program called “StreamOn,” of which we have recently become aware.

Vimeo operates the video sharing service available at <https://vimeo.com>. Launched in 2005, our service allows registered users around the world to upload and share videos. Anyone with Internet access can view a Vimeo-hosted video through our website, mobile and connected television applications, and embedded instances of our video player on third party sites. On a given month, we typically reach 240 million unique users in countries around the world, including Germany.

We understand that, consistent with similar programs offered by telecommunications carriers in the United States, StreamOn exempts from a relevant subscriber’s data caps any streaming of services that participate in the program. That is, an eligible end user will not be charged additional amounts for using participating streaming services.

At present, Vimeo does not participate in any zero-rating programs offered by telecommunications providers. Our reasons for not doing so are practical and would guide any decision about participating in StreamOn.

First, zero-rating programs like StreamOn typically require some form of technical implementation by the streaming service to allow the telecommunications

carrier to identify the content to be zero-rated.¹ Vimeo's use of HTTPs and multiple content delivery networks (CDNs) may create technical barriers that require specialized development work by Vimeo to permit content identification. In addition, each telecommunications carrier may have its own standards, requiring a custom implementation for each program, significant cooperation with the telecommunications provider, and ongoing support and maintenance. At present, we do not have dedicated resources in our company (of approximately 200 employees) to undertake such work; were we to evaluate and implement a program like StreamOn, we would have to either hire new staff or divert resources from other projects.

Second, it may not be feasible for a streaming provider to comply with a zero-rating program's terms and conditions. We note that StreamOn requires a participating streaming service to provide at least four weeks' notice before making any technical changes that might affect content identification.² We are disinclined to agree to such a term because we need the flexibility to test changes, respond to unexpected issues, and otherwise innovate on our own timeline. Moreover, technical changes to our service that are intended to improve the user experience could incidentally impact content identification and therefore cause an inadvertent breach of the program's terms. We note that StreamOn's terms potentially impose unlimited liability on the streaming service for billing that occurs in such a case.³ We are disinclined to expose our company to such liability.

In sum, participation in a zero-rating program like StreamOn is not a cost-free proposition for a streaming service and may therefore advantage larger, incumbent streaming services over smaller or nascent ones.

Respectfully submitted,

/s/ Michael A. Cheah

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¹ StreamOn's requirements are set forth at <https://www.telekom.de/hilfe/mobilfunk-mobiles-internet/mobiles-internet-e-mail/streamon/allgemeine-geschaeftsbedingungen.pdf>.

² See StreamOn Terms of Service, § 6.5.

³ See StreamOn Terms of Service, § 10.