The EU Digital Single Market Roadmap

A Weber Shandwick Brief - 6 May 2015

Snapshot

Back-ground	• Published by the European Commission, the EU's executive, on May 6 2015 • One of President Jean Claude Juncker's top three priorities for his 2014-2019 term • Led by Vice President for Digital Single Market Andrus Ansip, with the help of Digital Economy and Society Commissioner Günther Oettinger and 12 other Commissioners
Objectives	• Do away with intra-EU differences to create a strong single market for business and consumers • Improve consumer trust in ICT technologies and online services • Enable innovation and development of next generation infrastructure and technologies • Ensure the EU regains leadership in ICT innovation

Proposals

More details on each pillar in the next pages

Pillar 1: Better online access for consumers and businesses	*Pillar 2: Boost development innovative networks and online services*	*Pillar 3: Maximise growth potential of the digital economy*
➢ Harmonised EU contractual rules for online purchases ➢ Better parcel delivery ➢ End 'unjustified' geoblocking ➢ Harmonise copyright rules ➢ Reduce VAT burden for cross-border sales	➢ Review telecom networks rules to incentivise investments ➢ Ensure better coordination of spectrum allocation ➢ Level playing field between actors providing similar services ➢ Update audiovisual media rules ➢ Assess need to regulate online platforms ➢ Review e-Privacy Directive ➢ Develop PPP on cybersecurity solutions	➢ Enable data flows within the EU through interoperability, data ownership and data access ➢ Launch a European Cloud initiative ➢ Launch integrated standardisation plan ➢ Review European interoperability framework ➢ Boost e-government

Underlying debates	• As Europe seeks to ensure its "digital sovereignty", do these rules mean data sovereignty? • Is the EU trying to regulate the internet? • As perceived by US-based media and policy-makers, is this roadmap protectionism in disguise? • How will the European Commission ensure individual Member States agree to give up more national sovereignty? • Is this ambitious enough to make Europe a global ICT leader?
Next Steps	• European Parliament and Member States to provide their views on the roadmap • European Commission to publish initiatives outlined above in 2015 and 2016 • Policy debates and legislative work to take place over the next three to five years

Pilar 1 – Better Online Access

Boosting trust in cross-border e-commerce and improve parcel-delivery

Action 1	**Legislative proposals for simple and effective cross-border contract rules for consumers and businesses** ➤ The Commission wants to harmonise consumer and contract law to cut costs for companies operating across multiple European markets and to increase consumer trust. ➤ To that end, the Commission is reviving a long-debated Common European Sales Law to define EU rules and remedies for online purchase of digital goods. The proposal will seek to harmonise EU contractual rights for domestic and cross-border online sales of tangible goods as well.	2015
Action 2	**Review the Regulation on Consumer Protection Cooperation** – to improve the implementation of consumer protection rules at national level	2016
Action 3	**Measures in the area of parcel delivery** ➤ The Commission heard many consumer complaints about parcel delivery: lack of pricing transparency, lack of convenience and cross-border difficulties. ➤ The Commission will allow self-regulation on quality and interoperability, to be put in place by June 2015. It will then assess its impact as well as existing pricing transparency level before considering binding measures.	2016

Addressing geoblocking and access to digital content

Action 4	**A wide-ranging review to prepare legislative proposals to tackle unjustified geo-blocking** ➤ Vice-President Ansip's flagship project, to allow citizens to purchase and access online products wherever they are. ➤ This has already attracted controversy, with creative industries afraid of how it will impact copyright. The Commission will therefore assess the situation in more details before proposing potential amendments to the EU e-commerce framework and the Services Directive.	Q1-Q2 2016
Action 5	**Competition sector inquiry into e-commerce, relating to the online trade of goods and the online provision of services** – a review of online companies' trading and contractual practices that may artificially restrain competition in e-commerce in Europe (officially launched on 6 May).	Q1 2016
Action 6 & 7	**Legislative proposals for a reform of the copyright regime / Review of the Satellite and Cable Directive** ➤ For consumers, the Commission wants to tackle copyright-related geoblocking and lack of content portability from one EU market to another. For researchers, it wants to make copyright-protected materials easier to access cross border. It is also keen to better regulate the activities of online intermediaries in distributing content and to enlarge the scope of the Satellite and Cable Directive. ➤ The most controversial proposal so far, debated for a few months already, with creative industries and broadcasters up in arms with fear of falling copyright revenues.	Q4 2015 Q1 2016

Reducing the VAT related burden

Action 8	**Legislative proposals to reduce the administrative burden on business arising from different VAT regimes** ➢ Reduce administrative and financial burden on multi-market businesses by extending the recently launched single e-registration and payment mechanism to intra-EU and third country online sales of tangible goods. ➢ The Commission also wants to have a common EU VAT threshold for small e-commerce start-ups, a single audit mechanism and VAT example for the import of small parts from third country suppliers.	2016

Pilar 2 – Boost networks and services

Fostering networks investment and updating audiovisual media rules

Action 9	**Reform telecoms rules** ➢ The Commission sees lack for regulatory consistency and certainty across the EU as an obstacle to investment in innovative networks, crucial to deliver digital applications. The slow roll-out of 3G and 4G is often blamed on the lack of coordination of spectrum allocation between EU Member States. Enhanced spectrum coordination at EU level, long resisted by Member States, will be back on the table. ➢ Lack of broadband – focusing on fixed lines – in remote areas continues to be a problem. The Commission wants to tweak competition rules to make those investments more attractive, review the Universal Service Directive to include broadband and promote investments through PPPs. ➢ The elephant in the room is the debate over market consolidation of networks operators and as well as a regulatory level playing between telecom operators and over-the-top companies providing voice, text, media and app services. On-going legislative debates over the end of roaming and net neutrality will also impact those discussions.	2016
Action 10	**Review the audiovisual Media Services Directive** – to assess the need to extend its scope to online media players. The interplay of this review with the copyright reform will be challenging, while the European Parliament is expected to feed in on online advertisement rules and the protection of minors.	2016

Regulating online platforms and intermediaries

Action 11	**Comprehensive analysis of the role of platforms** ➢ Policy debates over the role of platforms have culminated with the recent launch of EU competition investigation into Google and Android. France and Germany are pushing for more regulation, while the European Parliament is advocating for Google's unbundling. ➢ This analysis will focus not only on competition aspects of platforms and intermediaries but also in their relationships with consumers (i.e. transparency of pricing and data use) and how platforms could play a role in the fight against illegal content. On the basis of its findings, the Commission will assess the need for new regulation.	Q4 2015

Reinforcing trust and security

Action 12&13	**Review the e-Privacy Directive and Establish a Cybersecurity contractual PPP** ➢ Both privacy and cybersecurity are being tackled in on-going legislative discussions. The first is the General Data Protection Regulation, debated for over three years and to be (hopefully) adopted in late 2015, which applies horizontally to all business sectors. Once this reform is over, the Commission will give in to calls from network operators to review telecom sector-specific e-Privacy rules. ➢ Cybersecurity in critical infrastructure is already debated in the soon-to-be-adopted Network and Information Security Directive – though the inclusion of online-platforms and cloud services as a "critical infrastructure" remains to be seen. Once finalised, the Commission will assess whether broader cybersecurity rules/guidelines are needed.	2016

Pilar 3 – Maximise growth of Digital Economy

Fostering the development of big data, internet of things and industry 4.0

Action 14&15	**Initiative on data ownership, free flow of data and on a European Cloud; Adoption of a Priority ICT Standards Plan and extension the European Interoperability Framework for public services** ➢ Already outlined in a July 2014 EU Communication of the data-driven economy, the Commission wants to break down national barriers and offer scale to cloud computing and big data providers. This should tackle national data localisation rules, copyright, interoperability, data portability and liability. ➢ The Commission will also want to boost Open data and to bost the take up of cloud services through a European Cloud initiative offering certification, standard contracts and switching rules. ➢ To boost the development of innovative ICT technologies, such as industry 4.0, cloud, cybersec, e-health, connected cars or mobile payment, the Commission will refocus its ICT Standards Plan to work with industry in identifying gaps in standards. The Commission will also look closely at the development of Standards Essential Patents.	2015-2016

Promoting the e-Society: skills and e-Government

Action 16	**New e-Government Action Plan** ➢ The new Plan will seek to interconnect business registers by 2017, promote the "once-only" principle that citizens should only give their data once to public administration, accelerate the transition towards e-procurement and e-signatures. ➢ The development of ICT skills will need to be at the heart of all EU skills and training initiatives.	2016

What can you do?

Next steps

➢ The European Parliament and the Council of the EU, namely the European co-legislators, will formally respond to this Roadmap before the autumn. Various European Parliament Committees are already fighting for leadership of this process and preparing their views through a myriad of working groups. Heads of States will provide their own views at the June 25-26 Council Summit.

➢ The European Commission is already working on some of the initiatives and legislative proposals outlined above. This includes the copyright reform or eCommerce review.

➢ These initiatives and proposals will be published from late 2015 to late 2016. Once turned into formal legislative proposals, both the European Parliament and the Council of the EU will separately amend their contents and negotiate a compromise before they become law. This process can take 1.5 year and more.

How to influence

➢ This is only the beginning. Many of these initiatives are complex and controversial. All three European institutions are looking for expertise and input, with clear technical and legal solutions.

➢ The earlier you engage with policy-makers, the clearer and the more substantiated your message, the more likely you will be to influence the content of these initiatives.

➢ A crowded lobbying environment calls for compelling messaging and creative communication approaches, including deploying social media communications, partnerships with other actors in the value chain, NGOs, think tanks and media engagement.

How can we help?

Weber Shandwick Brussels is a leading integrated public affairs firm with long-standing expertise in the ICT sector. To help you navigate complex political processes and procedures and boost your influence, we can offer the following services:

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Research and analysis

Issue management

Strategic advice

Advocacy campaign management

Engagement and relationship building

Alliance building

Social media engagement strategies

Media engagement strategies and training

Engaging messaging content development

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