

The European Commission's Work Programme 2015: ICT and Telecoms

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Europe

The new European Commission's Work Programme for 2015 lists several items of critical importance to ICT and telecoms companies, in particular developments in the Digital Single Market, cyber-security, copyright reform and data protection.

The Commission shall use a six strand strategy to complete the Digital Single Market focusing on the following: building trust and confidence, removing restrictions, ensuring internet access, building the Digital economy, promoting e-society and investing in world-class ICT research and innovation.

The key reforms are likely to be as follows:

Connected Digital Single Market

The Commission will unveil several initiatives aimed at building a connected digital single market, with a particular focus on digital infrastructure, simplifying online sales rules and e-payment.

Infrastructure: The Commission wants to ensure digital access for every household and a level playing field for companies across the EU, based on reliable, high performing digital infrastructure.

As part of President Juncker's investment package, there will be significant spending on digital technology. Talks with telecom groups, authorities, local communities and investors about expanding digital networks should start next year. This investment package will almost certainly involve an upgrade of rural broadband, with opportunities for telecoms providers and local authorities seeking funding packages. The investment funds will probably also include financial support for upgrading 4G networks in cities and areas where there is already a certain level of coverage.

It is likely that the Commission and European Investment Bank (EIB) lenders will attach criteria to this funding. Once broadband speeds have increased in an area there will be increased demand for OTT services, so we expect many internet companies to be eager to expedite this process as well.

Online purchases: The Commission plans to simplify consumer rules for online and digital purchases and has modified a proposed regulation on a Common European Sales Law to better facilitate e-commerce. DG JUSTICE plans to introduce new guidelines and templates for online sellers to find a simple way for businesses to provide information to consumers online. These guidelines will be based on the 2011 Consumer Rights Directive. The Commission may also use this as an opportunity to address some competition based concerns relating to online retail.

E-payment and Mobile payment: In 2013, 39% of traffic to the top 500 e-retailers came from smartphones. Mobile and e-payment are driving sales growth and in order to capture this growth, online retailers need to adapt quickly to regulatory and technological changes. The Commission is introducing legislation to address e-services and e-invoicing in public procurement.

This initiative will affect a wide range of industries beyond the key online retailers and companies who are active in online retail such as supermarket chains, media and entertainment outlets, user based e-commerce sites, clothing chains and logistics companies should follow these changes to online payments regulation closely.

Cyber-security

The Commission has pledged to enhance cyber-security and plans to launch a European Security Agenda for 2015-2020 to address threats to the EU's internal security, including measures to tackle cybercrime.

The EU Network and Information Security Directive (NIS Directive), which addresses cyber-security, remains in discussions in the Council. However, given the creation of the new European Security Agenda, it is likely that there will be additional new initiatives relating to cyber-security, which will affect public bodies storing personal data as well as market operators such as banks, healthcare providers, social networks, search engines, cloud computing providers and app stores.

'Connected Continent' Electronic Communications Framework

The Commission is seeking to quickly conclude the data protection package (see below) and the electronic communications framework. The 'Connected Continent' package consists of five regulations and two directives concerning the coordination of spectrum usage, open internet, net neutrality, consumer online protection, as well as encouraging more competition and the provision of pan-EU services. The Commission is also seeking to adopt additional complimentary regulatory reforms in telecommunications.

Telecoms providers, device manufacturers, OTT internet companies, app providers and online sellers will be affected by this package. This framework package has the potential to reshape the telecommunications market. Net neutrality and open internet issues, in particular, will provide a policy response to the rise of OTT companies.

Data Protection

The Commission is seeking to quickly conclude the data protection package. This consists of a general regulation covering the bulk of personal data processing in the EU and a directive on processing data to prevent, investigate, detect or prosecute criminal offences or enforce criminal penalties. The package is currently under discussion in the Council and addresses controversial issues such as the right to be forgotten, data portability, breach notifications, data privacy officers and data transfers to non-EU countries. Progress was made recently on these issues, yet negotiations with the European Parliament and the European Commission are unlikely to start before the second half of 2015.

In parallel with the data protection package, the new Commissioner for Justice, Vera Jourova, has also pledged to review the Safe Harbor arrangement. The latter allows companies to transfer European citizens' personal data from the EU to the US, on the condition that the data providers agree to adhere to a set of data protection principles agreed between the EU and the US.

Copyright and Audiovisual Media Services

Since 2011, the Commission has sought to create a single market for IPR, with a unified legal framework. In its Work Programme for 2015, the Commission has signaled that it will modernize legislation both on copyright and on audiovisual media services. The copyright reform is likely to focus on cross-border access to information, audiovisual work, text and data mining, and user-generated content (such as personally uploaded YouTube videos).

The new copyright rules may also address whether internet search engine providers should pay a fee for displaying copyrighted materials on their sites.

Contact

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