



Brussels, 15 September 2016
(OR. en)

12207/16

TELECOM 161
COMPET 481
AUDIO 95
DIGIT 99
RECH 268
MI 573
PI 93
IND 192

ECOFIN 799
ENER 322
DATAPROTECT 80
CYBER 100
JUSTCIV 233
EJUSTICE 150
CULT 77
EDUC 281

NOTE

From: Presidency

To: Permanent Representatives Committee

Subject: Digital Single Market - State of play
- Information from the Presidency

Background

Over the recent years, the **European Council** has consistently urged for the completion of the digital single market. On 6 May 2015, the Commission published a Digital Market Strategy as one of its key priority actions. The Strategy defined the DSM and outlined major challenges structured in three pillars that need to be met as well as a roadmap of actions by 2016.

The strategy focuses notably on 1) **better access for consumers and businesses to online goods and services across Europe** (*ending regulatory fragmentation in e-commerce, contract law, consumer protection, banning geo-blocking and making copyright, parcel delivery and VAT more fit for the digital age*); 2) **creating the right conditions for digital networks and services to flourish** (*reviewing the telecom rules with a focus on investment and spectrum coordination, enhancing the portability and access to content in audio-visual rules while respecting cultural diversity*); 3) **creating a European Digital Economy and Society with long term growth potential** (*a new digital European industrial policy including standardisation as well as digital skills and e-government*).

In June 2015 **European Council** welcomed this Strategy and highlighted the opportunities brought about by digital technologies. It emphasised the importance of all its dimensions in the context of growth and jobs and called for action on its key components.

On 19 January 2016 the European Parliament adopted a resolution "Towards a Digital Single Market Act" in which it welcomed the Strategy as such and, inter alia, agreed that the governance and timely delivery of the DSM is a shared responsibility of the European Parliament, the Council and the Commission.

In June 2016 the **European Council** adopted an Agenda for the implementation of all aspects of the Single Market, including delivery of the Commission's Single Market, Digital Single Market and Capital Market Union strategies. It called for completing and implementing by 2018 the different Single Market strategies and action plans proposed by the Commission. As of that moment the Council will report annually to the June **European Council** on progress in deepening the Single Market in all its aspects.

In particular, the **European Council** emphasized explicitly the following aspects, including **cross-border portability**, *which will allow EU residents to travel with the digital content they have purchased or subscribed to at home*; **removing barriers to e-commerce, including unjustified geo-blocking** *which prevents online customers from accessing and purchasing a product or service from a website based in another Member State*. **Reducing the costs of parcel delivery and modernising VAT systems** *will further facilitate cross-border selling of goods and services*; **the review of the wholesale roaming market** *in view of abolishing roaming surcharges by June 2017*; *the invitation to governments and EU institutions to meet the targets of the* **eGovernment Action Plan**; *reforms of the* **copyright and audiovisual frameworks**. Among the actions which the **European Council** pointed out were also those **ensuring very high-capacity fixed and wireless broadband connectivity across Europe**, *which is a precondition for future competitiveness*. **The review of the telecoms regulatory framework** *should aim to incentivise major network investments while promoting effective competition and consumer rights*; then **better coordinating spectrum** *assignment modalities together with the timely release of the 700 MHz band so as to help ensure Europe's leadership in the* **roll-out of 5G networks**; and finally coordinating EU efforts on **high-performance computing**.

The SK PRES in its priorities considers digitisation as a phenomenon which has changed the way we live and work and which will continue to do so even more. It believes that the digital single market will allow individuals and businesses to use electronic services easily, carry out cross-border online activities in accordance with the rules of fair competition, and benefit from a high standard of consumer protection, irrespective of their nationality or place of residence. One of its key objectives, as seen by the SK PRES, is to give citizens and businesses the possibility of free movement in the digital area, while also allowing free movement of data across the EU's internal market as a fifth freedom.

After publication this week of the second set of measures **on modernizing the EU copyright framework and the review of telecoms regulatory framework** the Commission has so far adopted more than two thirds of its expected proposals and plans to adopt the remaining initiatives (e.g. **free flow of data, ePrivacy, interoperability** and **VAT economy**) before the end of 2016 in line with its original roadmap.

Based on valuable work carried out by the previous presidencies, the Slovak Presidency has set ambitious goals for the DSM package, and is determined to achieve them with constructive support from all Member States, the Commission, and the European Parliament. Closer towards the end of its mandate the Slovak Presidency will report on the overall DSM progress made so far in an appropriate way with a view to maintain high working momentum and to ensure a smooth transition of the ongoing dossiers to the Maltese Presidency.

The Slovak Presidency's non-paper summarises the state of play on various DSM-related actions as of mid-September 2016 and is complemented by a detailed table in the Annex

DSM Strategy - State of play in Council 9/2016							
Pillar of DSM Strategy	Initiative	Council, WP	Publication by Commission	Status in Council	Status in EP	Potential Difficulties *	Pending SK PRES Objectives
1	Proposal for a Directive on certain aspects concerning contracts for the supply of digital content	JHA, JUSTCIV	9 December 2015	Examination ongoing, revised proposal tabled 6/2016	JURI and IMCO (art. 55 shared competence) to publish a draft report in 9-10/2016	Scope of the proposal, hierarchy of remedies, level of harmonisation	(partial) General approach , 12/2016
1	Proposal for a Directive on certain aspects concerning contracts for the online and other distance sales of goods	JHA, JUSTCIV		Examination based on the outcome of the REFIT exercise in the consumer's area	IMCO and JURI (art. 54 associated committee) to publish a draft report in 9-10/2016	Scope of the proposal, coherence with digital content proposal	Progress report or policy debate, 12/2016
1	Proposal for a Regulation on ensuring the cross-border portability of online content services in the internal market	COMPET, Copyright		General Approach reached in COMPET Council 26 May	JURI Vote on report planned on 13 October 2016	Time limitation of content portability, exceptions	Political agreement with EP, 4Q/2016
1	Communication 'Towards a modern, more European copyright framework'	COMPET					
2	Proposal for a Decision on the use of the 470-790 MHz frequency band in the Union	TTE, TELE	2 February 2016	General approach reached in TTE Council 26 May	ITRE Vote on report planned for 13 October 2016	Setting the deadlines	Political agreement with EP, 12/2016
3	Communication ' Digitising European Industry - Reaping the full benefits of a Digital Single Market'	COMPET, COMPCRO	"Digital Single Market Technologies and Public Services Modernisation" package" Presented on 19 April	COMPET Council conclusions on the package on 26 May			Discussion of ministers at Informal COMPET Meeting 7/2016
3	Communication ' European Cloud Initiative - Building a competitive data and knowledge economy in Europe'	COMPET, RECH		COMPET Council conclusions on "The transition to an Open Science system" on 27 May			AOB foreseen on European Science Cloud (COMPET 11/2016)
3	ICT Standardisation Priorities for the Digital Single Market	COMPET, COMPCRO + TECHHARM					AOB on Standards at COMPET Council 9/2016
3	EU eGovernment Action Plan 2016-2020 Accelerating the digital transformation of government	TTE, TELE		Council conclusions discussed in crp 9/2016			Council Conclusions on eGovernment Action Plan adopted at GAC Council 9/2016

Pillar of DSM Strateg	Initiative	Council, WP	Publication by Commission	Status in Council	Status in EP	Potential Difficulties *	Pending SK PRES Objectives
1	Regulation on Consumer Protection Cooperation	COMPET, CONSOM		Examination ongoing, revised proposal foreseen 10/2016	IMCO designated	Proposal of substantial length	Progress report/ General approach 12/2016
1	Measures in the area of cross-border parcel delivery	TTE, Postal	"e-Commerce Package" Presented on 25 May Presented to joint Telecom/COMPET WP 9 June	Examination ongoing, revised proposal foreseen 12/2016	TRAN designated	Scope, disbalanced obligations, admin burden	Progress report/ General approach 12/2016
1	Proposal for a Regulation on addressing geo-blocking	COMPET, COMPCHRO		Examination ongoing, revised proposal foreseen 9/2016	IMCO designated	Freedom of contracts and VAT issues might challenge the timing	General approach 11/2016
1	Guidance on the application of the Unfair Commercial practices Directive	COMPET (G3A)					
2	Review the Audiovisual Media Services Directive	EYCS (CULTURE / AUDIOVISUAL), Audio	Presented by EC on 25 May	Examination ongoing, revised proposal foreseen 12/2016-1/2017	CULT designated, 1/2017 vote	Scope, jurisdiction, platforms, huge diversity of opinions	Progress report
2	Commission assessment of the role of platforms in the market including illegal content on the Internet (e.g. digital platforms and collaborative economy)	TTE + COMPET, COMPCHRO + TELE	Presented by EC on 25 May Presentation to Joint TTE/COMPET Council by VP Ansip 26 May	Discussion at COMPET Council (Collaborative economy) 9/2016			Information on the next steps at TTE Council (platforms) 12/2016
3	A New Skills agenda for Europe - Communication	EYCS (EDUCATION) (ELC), EDUC	Published on 7.6.2016 (no special focus on digital skills)	Digital Skills Conference 17-18.10.2016			(poss) EYCS Council lunch debate 11/2016
1	Proposal for a EP and Council (Amending) Regulation on rules for wholesale roaming markets in the EU (Follow up to TSM)	TTE, TELE	Presented by EC on 15 June	Examination ongoing, revised proposal foreseen 4Q/2016	EP to vote (only) on 29 November	Tight legal deadlines to respect (must enter into force by 15 June 2017) Linked to the Implementing Act on the Fair Use Policy (draft presented on 5/9/16 and withdrawn by EC on 9/9/2016)	General Approach + 1st trialogue
2	Cybersecurity PPP / Communication on Strengthening Europe's Cyber Resilience System and Fostering a Competitive and Innovative Cybersecurity Industry	Friends of Presidency	Communication published and Partnership signed on 5 July 2016	Examination ongoing			Council conclusions on Europe's Cyber Resilience in 4Q/2016
1	Reform of the copyright regime (2nd part)	COMPET, Copyright	EC Proposal 14 September 2016	First presentation foreseen in 10/2016 followed by examination	Not yet designated		Impact Assessment & Examination
1	Review of the Satellite and Cable Directive	COMPET, Copyright	Proposal 14 September 2016	First presentation foreseen in 10/2016 followed by examination	Not yet designated		Impact Assessment & Examination
1	Review of Intellectual Property Rights Enforcement Directive	COMPET	Public consultation completed by EC, proposal likely not before 12/2016				tbc
2	Review of the electronic communications regulatory framework (telecom rules) + Communication	TTE, TELE	Proposal 14 September 2016	First presentation foreseen in 9/2016 followed by examination	Not yet designated		Impact Assessment & Examination
2	Communication on 5G	TTE, TELE	Proposal 14 September 2016	First presentation foreseen in 9/2016 followed by examination			Policy debate in TTE Council 12/2016
2	Regulation on the promotion of Internet connectivity in local communities and public spaces	TTE, TELE	Proposal 14 September 2016	tbc			tbc

Pillar of DSM Strateg	Initiative	Council, WP	Publication by Commission	Status in Council	Status in EP	Potential Difficulties*	Pending SK PRES Objectives
3	Free Flow of Data Regulation + Communication	TTE, TELE	Proposal foreseen 30 November 2016	Presentation in Joint WP TELE + COMPCRO est. 12/2016			Presentation and poss. impact assessment based on timing
2	Review of the e-Privacy Directive	TTE, TELE	Public consultation by EC finished in 7/2016/ Proposal foreseen 30 November 2016	Presentation in WP TELE 12/2016			Presentation and poss. impact assessment based on timing
3	ICT Standards (EU Catalogue) . Communication/Guidance	COMPET	EC proposal 12/2016 (not confirmed)				tbc
3	Interoperability Communication (European Interoperability Framework)	TTE, TELE	Communication publication 4Q/2016 (not confirmed)				tbc
1	VAT regimes	ECOFIN (FISCAL POLICY), WPTQ	Public consultation completed by EC; proposal likely not before 11/2016				tbc
* the list of potential difficulties as of 9/2016 is in working progress and not exhaustive. It reflects only the views of the SK PRES and may be a subject to further changes.							
Pillar 1	Better Online Access to Digital Goods and Services						
Pillar 2	An environment where digital networks and services can prosper						
Pillar 3	Digital as a driver for growth						