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NOTE

From:	Presidency
To:	Permanent Representatives Committee/Council
Subject:	Digital Single Market Strategy - Exchange of views

The Latvian Presidency has drawn up the attached discussion paper as the basis for the exchange of views at the TTE Telecommunications Council meeting on 12 June 2015.

Presidency's background paper with questions for Ministers

The European Council in October 2013 highlighted the need to step up investments (through an improved regulatory framework and the best use of EU funds), the importance of Big Data and Cloud computing, the enhancement of interoperability and portability of content and data, the significance of fostering trust in the digital economy as well as of modernising the public administration, the importance of improving the necessary digital skills and of boosting innovation. The Latvian Presidency contributes to facilitate achieving the ambitions set out in the conclusions of the European Council, October 2013 (EUCO 169/13, 25.10.2015) as well as the European Council Strategic Agenda for the Union in Times of Change, in June 2014 (EUCO 79/14, 27 June).

Since the new European Commission started its term, the creation of Digital Single Market has become one of its top priorities. This is confirmed by the Digital Single Market Strategy for Europe (COM(2015) 192 final) approved by the College of Commissioners on 6 May 2015. The Strategy recognizes that the global economy is rapidly becoming digital and Information and Communications Technology (ICT) is no longer a specific sector but the foundation of all modern innovative economic systems. The Internet and digital technologies are transforming our lives, the way we work, and affect communities as they become more integrated across all sectors of our economy and society.

These changes are happening at a scale and speed that bring immense opportunities for innovation, growth and jobs. They also raise challenging policy issues for public authorities which require coordinated EU action. Member States are facing similar problems but on a national basis which is too limited to allow them to seize all the opportunities and deal with all the challenges of this transformational change. That is why the Latvian Presidency has set digital aspects as one of its key priorities.

A Digital Single Market is one in which the free movement of goods, persons, services and capital is ensured and where individuals and businesses can seamlessly and securely access and exercise online activities under conditions of fair competition, and a high level of consumer and personal data protection, irrespective of their nationality or place of residence.

Europe has the capabilities to lead in the global digital economy but we are currently not making the most of them. Fragmentation and barriers that do not exist in the physical Single Market are holding the EU back. Bringing down these barriers within Europe could contribute an additional EUR 415 billion to European GDP¹. The digital economy can expand markets and foster better services at better prices, offer more choice and create new sources of employment. A Digital Single Market can create opportunities for new start-ups and allow existing companies to grow and profit from the scale of a market of over 500 million people. Additionally, the demand for cybersecurity offers a unique opportunity for the EU to fill the demand for trustworthy ICT solutions in Europe by increasing research and innovation efforts and developing reliable cybersecurity products and solutions, thus contributing to the European digital economy.

Newly published Digital Single Market Strategy for Europe is built on three pillars:

- *Better access for consumers and businesses to online goods and services across Europe – this requires the rapid removal of key differences between the online and offline worlds to break down barriers to cross-border online activity.*
- *Creating the right conditions for digital networks and services to flourish – to achieve this, high-speed, secure and trustworthy infrastructures and content services, supported by the right regulatory conditions for innovation, investment, fair competition and a level playing field are needed.*
- *Maximising the growth potential of our European Digital Economy – this requires investment in ICT infrastructures and technologies such as Cloud computing and Big Data, and research and innovation to boost industrial competitiveness as well as better public services, inclusiveness and skills.*

The Latvian Presidency welcomes the comprehensive and ambitious Strategy. The Presidency expects that it gives new impetus to the work on the completion of the Digital Single Market and will be endorsed by the heads of state and government at the June European Council.

¹ Commission Staff Working Document "A Digital Single Market Strategy for Europe – Analysis and Evidence" [SWD(2015) 100].

Ministerial debate

In the **Transport, Telecommunications and Energy Council** of 12 June 2015, Ministers will be invited to share their views on the Strategy and to provide guidance on the necessary steps for further implementation of the Digital Single Market.

During this discussion the Presidency would like to stress the importance of new legislative and non-legislative initiatives proposed in the Strategy, especially what regards (1) the intended revision of the current telecommunications regulatory framework to make it fit for the rapidly developing telecommunications sector with many further challenges emerging; (2) the intended measures in the area of parcel delivery with its probable effects on other related elements of the single market; (3) the intended review of the e-Privacy Directive with its expected positive effects on privacy of Europeans in cyberspace; (4) envisaged initiatives for the 'Once-Only' principle, 'free flow of data' and the 'European Cloud', work towards a 'Single Digital Gateway', sectoral interoperability, ICT standards and e-signatures.

The Presidency believes that the actions in the Digital Single Market are interrelated and mutually reinforcing and need to be implemented in a coordinated way to deliver all possible benefits. The Presidency regards these debates in the upcoming Council as a possibility to highlight elements where further guidance from our leaders at the **European Council** would facilitate further work on the Digital Single Market. The main messages from these debates and Council conclusions will be synthesized in a Presidency's summary letter on the Strategy and transmitted to the President of the **European Council** with a view to the June **European Council**.

In light of the above, delegations are invited to indicate their views on the following questions:

Would you agree that the Strategy covers all the most important issues for completing the Digital Single Market, and how do your Member State's digital priorities map onto the actions outlined in the Strategy?

What are your suggestions on how to better coordinate and ensure a smooth and effective implementation of the Strategy, in particular in relation to the 4 activities highlighted by the Presidency?