



# **ECR Group discussion paper on the Digital Single Market Strategy**

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## Summary

The ECR wants a single market fit for the digital age that will stimulate growth, innovation and competitiveness.

Our priorities for the EU's Digital Single Market Strategy seek to create an environment that will be friendly to consumers and businesses in the digital world, by unlocking the benefits of digital advances, removing barriers to trade to stimulate ecommerce, empowering consumers, and supporting businesses, creators and investors

### **Key proposals put forward by the policy group are:**

- Competitiveness tests on any new legislation and ensuring that all proposals are future-proof and technologically-neutral. Evaluating the implementation of existing rules must also be prioritised
- Making it easier for businesses to set up electronically within 24 hours, and finding out all their obligations online
- Improving delivery of goods ordered on-line and promoting cross-border track-and-trace systems for deliveries
- Prices for digital products and services should not change unfairly according to a consumer's location as this decreases online trust
- Enabling secure digital currencies and innovative payments methods to enable-trade
- Promoting the provision of public services digitally by sharing best practice
- Targeted measures to ensure consumer trust in digital goods, such as model contracts and online review tools, rather than a full-scale revision of the Consumer Rights Directive
- Consumers should be able to access lawfully available content on fair and reasonable terms across the EU, recognising that portability of goods and services is a key principle of the Single Market that should be reflected in the digital sphere; creators should also be fairly remunerated
- Reforms must be targeted, based on robust evidence, and support Europe's diverse creative industries, one of our richest resources for job creation in the future
- Improving accessibility for people with disabilities
- Targeted and technology-neutral copyright reforms, based on robust evidence, that ensure the single market works for creators, supporting innovation, research and consumer choice

- Urgent reforms to remove the bureaucratic burden on micro businesses of cross border VAT, by creating a threshold, (a Pan-European Exemption for Pan-European VAT) and a single process for registering to pay VAT
- Measures to promote private sector investment in network infrastructure, and to support and increase innovative financing for digital entrepreneurs - More ambitious EU targets for broadband, increasing them from 30MBPS to 100MBPS where demand exists for example around tech clusters
- A legal framework to encourage innovation looking forward to the development of the 'Internet of things', whilst protecting people's data
- A clear transitional arrangement towards ending roaming charges, whilst ensuring that domestic customers do not experience price hikes ahead of a review of wholesale prices
- Stronger consumer elements in the EU's Telecoms Package such as the right to switch providers and ensuring consumers can terminate contracts if service is below expectation
- Sharing of best practice and information between national regulators to ensure spectrum is available for new technology
- Ensuring an open and fair internet with greater transparency in areas such as search engines and ecommerce platforms
- Stronger cybercrime measures to protect vital infrastructure such as banks and hospitals, better education to help parents and children protect themselves online, and adequate resources and expertise for Europol and the Cybercrime centre to combat modern threats
- A proper framework for international and EU cooperation to protect children online and detect and eliminate abuse images online, with enforceable rules to ensure children can only access age-appropriate material. It should not be considered censorship to ban images or videos of child sexual exploitation
- A review of Safe Harbour to reflect changes in attitudes and technology
- Swift agreement of the Data Protection Framework that gives people better control over their data whilst also supporting innovation and creativity. Rules should be effective and workable. Too much bureaucracy will turn investment away at a time when it is vital to attract it
- A regulatory environment to accommodate the pervasiveness of 'Big Data' that supports new technologies and their application
- Promoting international standards for cloud computing to enable accessibility and security in cloud services

## ECR DIGITAL SINGLE MARKET POLICY GROUP DISCUSSION PAPER

**The Single Market must be fit for purpose for the digital age.** Unlocking its benefits will enhance growth, jobs and competitiveness for citizens and businesses across the European Union. According to the World Economic Forum, six of the top ten technology-ready countries in the world are in Europe. There is huge potential should the regulatory environment meet the needs of consumers and businesses in the ever-evolving digital world.

**It is estimated that fostering a Digital Single Market, could create €340bn in additional growth in the next five years.** There are also savings to be made in key sectors, such as in public procurement. Huge savings of €100bn a year could be generated, for example, if all public procurement procedures are carried out online.

**315 million citizens in the European Union use the Internet daily.** Empowering consumers online through their ability to express their views on products and services via online reviews helps to ensure they can make informed decisions, choices and purchases. **Furthermore, it is estimated that cross-border e-commerce could save consumers more than €11.7 billion a year** if they could choose from the full range of goods and services when shopping online.

The importance of the creative sector to the European economy must not be forgotten which is why it is so important for the impact of the forthcoming copyright reform proposals to be assessed with regard to jobs and growth.

**The huge potential of the Digital Single Market and its cross-cutting nature led the ECR to establish its Digital Single Market (DSM) Policy Group** in October 2014 to discuss, formulate and coordinate policy ideas and initiatives with ECR MEPs from many committees, including the Internal Market and Consumer Protection committee, Civil Liberties committee, Industry committee, Legal Affairs and Economic and Monetary Affairs committee and also external stakeholders.

**This paper is the ECR's response to the Commission's initial ideas for inclusion in its Digital Single Market Strategy and proposes recommendations to be included in its final version, which is expected on 6 May.**

The ECR is keen to put forward fresh ideas **with a particular focus on stimulating growth, innovation and competitiveness.** Competitiveness tests on all new legislation will be essential to ensure this objective is achieved. **However, evaluating and improving the effectiveness of the implementation of existing rules on a rolling basis or via secondary legislation must also be prioritised and not forgotten** to make sure rules are simple, consistent, understood and complied with.

Digital technologies are ever evolving, whilst legislation often struggles to keep pace. Legislation should therefore be smart, technologically neutral, principle-based and flexible for it to be relevant and to not stifle innovation and sector developments.

In addition, the forthcoming review of the Inter-Institutional Agreement on Better Lawmaking could be a good opportunity to consider the scope for reforming the legislative process to **ensure that regulation meets the requirement for 'digital economy proofing'**. This would ensure measures are thoroughly **impact assessed to make sure they are future-proof and fit for the digital age.** The REFIT process could then determine which elements of the *acquis* should be reformed.

**The ECR Policy Group's recommendations for the Commission's forthcoming Digital Single Market Strategy**

**1. Better access for consumers and businesses to digital goods and services**

***The Commission's strategy on E-commerce and Parcel Delivery:***

*'Facilitating cross-border **e-commerce**, especially for SMEs, with harmonised consumer and contract rules and with more efficient and affordable **parcel delivery**. Today only 15% of consumers shop online from another EU country – which is not surprising, if the delivery charge ends up higher than the actual price of the product.'*

**The ECR Policy Group's proposals:**

**Measures that could make it easier for businesses to set up and operate online might include:**

- **Establishing a single digital registration process** to avoid a business having to submit the same data in multiple jurisdictions: once a company has completed an online process with authorities in one Member State the data should be available for other authorities across the EU.
- **Ensuring businesses can be set-up within 24 hours**, with all company law requirements completed electronically.
- **Finding information** about requirements or other obligations that would affect them when trading online in any Member State by improving the Points of Single Contact and the effectiveness of the other tools available to businesses.
- **Registering a website domain name** without requiring a physical address in the country with the name.

**Other measures could include:**

- **Addressing national promotion laws which reduce competition and consumer choice by preventing new entrants from accessing markets.** These include restrictions on offering promotions and discounts, such as 'two-for-one' offers for consumers.
- **Considering the functioning and effectiveness of the implementation and enforcement of consumer rights**, to identify whether targeted measures for digital content could enhance consumer trust.
- Ensuring that the industry-led **EU Parcels Roadmap provides for greater information sharing between operators, retailers and consumers and promotes innovative technologies.** This would give consumers access to cross-border 'track and trace' systems, which would generate more consumer trust when purchasing online.

- **Pushing for the timely implementation of the new regulatory framework for electronic payments, such as the Interchange Fee Regulation and a market-orientated resolution of the Payment Services Directive**, which could help to reduce costs for businesses and increase consumers' trust. It is also important to make sure that the forthcoming regulatory framework is technologically neutral and fit for dynamically developing payment technologies and systems so a secure online and mobile payments market is created, while innovation and technological advancements in the EU are not hindered or distorted.
- Considering whether any action or actions need to be taken at a European level to enable **digital currencies or other innovative payments methods** to improve consumer trust and enhance cross-border trade.
- **Reviewing labelling rules** to establish if labelling information on tangible goods could instead be made available online for consumers.
- **Member States should strive to provide public services digitally, where appropriate, and where there is demand. They should be encouraged to share best practice** in the development of digital public services, and reduce unnecessary duplication for users of those public services by offering one stop shops, where appropriate. Care should be taken by Member States when awarding public contracts to ensure that value for money is achieved and innovation is supported. Lessons can be learnt from previous experiences.
- **Interoperability should not be an end in itself** but should enhance existing moves to modernise governance and public administration.
- All actions should be directed towards creating a framework that supports e-commerce without prescribing any EU-wide quantitative targets.
- **The Commission should NOT propose a revision of the Consumer Rights Directive. Instead, the Commission should explore targeted measures for digital content** through inter alia the creation of model contracts to ensure consumer trust. It is important to take a forward-looking approach, recognising that digital advances also give consumers access to many powerful tools which can empower them such as online reviews of products and services.
- By creating conditions which support challenger businesses, Europe can help to launch new European ideas into global markets. The promise of well-functioning alternative finance markets is huge, but we need a favourable regulatory environment to unlock its full potential for private sector investment. Measures should be identified to ensure that start-ups can take advantage of the available financing. **Analysis should be undertaken to evaluate areas where financing is working well, such as the growth in crowd-funding and peer to peer finance and how to share best practice.** There have been many successful digital entrepreneurs who have taken advantage of accessing domestic, European and world-wide pools of capital. We need to put all efforts in to ensuring companies and digital entrepreneurs know how to access available forms of financing for their ideas.

### **The Commission's stance on Geo-blocking**

*'Too many Europeans cannot use online services that are available in other EU countries, often without any justification; or they are re-routed to a local store with different prices. Such discrimination cannot exist in a Single Market'.*

### **The ECR Policy Group's proposals:**

- **Consumers should be able to access lawfully available content on fair and reasonable terms across borders.** Currently only 4 per cent of video on demand content is available across the EU.
- Consumers should be able to pay for access to content not available in their own Member State if it is available in another.
- **Mandatory pan-European licenses are not the solution for consumer choice or for rights holders.** Forcing businesses to buy pan-European licenses would reduce available content as they would not offer content in Member States where there was little demand despite holding the exclusive license. In addition, it would force smaller and regional businesses out of the market, significantly undermining cultural diversity. Pan-European licenses would also reduce revenue for rights holders who would no longer be able to price content relevant to the market in each Member States. Targeted reforms must be done in a manner that also maintains choice and diversity by protecting intellectual property in a way that ensures a flourishing and innovative creative sector in which creators are fairly remunerated.
- However, portability is a key principle of the single market: tangible goods are not confiscated at borders so such restrictions should be limited in the digital sphere as well. **Consumers should be able to access their legally-acquired digital downloads and streaming services when visiting another Member State, provided measures are in place to safeguard fair remuneration for creators.** This will help to support a more diverse legal offer. If there are geographical restrictions placed on access and use of content across the EU, or a 'portability' option is not available, the consumer should be made aware of these restrictions before making a purchase.
- **Prices for digital products and services should not change unfairly on the basis of a consumer's location, which decreases online trust.** Consumers should be equipped with transparent information about the prices they are charged. **The Commission should review cases where prices for digital products and services are unfairly changed due to a consumer's location.** This should not include costs for sales tax or delivery but unfair card charges due to an online retailer and the consumer's payment provider being located in different Member States.
- Accessibility for people with disabilities and demographics covers a wide range of aspects. **The Marrakech Treaty should be ratified as soon as possible** by Member States as it will facilitate access for the visually impaired to books. However, **more work remains to be done to open up access to content for people with disabilities**, in addition to those affected by visual impairment.

### **The Commission's strategy on Copyright**

*'Modernising **copyright** law to ensure the right balance between the interests of creators and those of users or consumers. It will improve people's access to culture – and therefore support cultural diversity – while opening new opportunities for artists and content creators and ensuring a better enforcement of rights'.*

### **The ECR Policy Group's proposals:**

- The creative sector is one of the EU's richest resources, which generates growth and jobs. The **Digital Single Market must therefore work for creators, supporting innovation and consumer choice.**
- **Copyright reforms must be targeted and technologically neutral, with a focus on measures to stimulate growth and support innovation, creativity and competitiveness. Solutions should bear in mind the different challenges facing the variety of types of content and creative works.**
- Any copyright reforms must be targeted and based on **robust evidence** and should be **in compliance with Better Regulation principles.**
- Appropriate remuneration should be provided for those who produce and create copyright work.
- Copyright enforcement is essential and therefore **the copyright enforcement regime must be prioritised when the Commission presents its proposals.**
- **Copyright exceptions to support research and education (and the associated text and data mining) should be considered in a targeted way and with a focus on economic growth and competitiveness where evidence supports it.** A balanced framework for exceptions and limitations should not cause any harm to rights holders, should conform with consumer expectations, foster both creativity and innovation, and adapt to the digital environment.
- IP providers and payment providers should play a significant role in tackling copyright abuses.



### ***The Commission's strategy on VAT simplification***

*'Simplifying VAT arrangements is important to boost the cross-border activities of businesses, especially SMEs. The cost and complexity of having to deal with foreign tax rules are a major problem for SMEs. The VAT-related costs due to different requirements are estimated at EUR 80 billion'.*

### **The ECR Policy Group's proposals:**

- The Commission should urgently propose reforms which lift the bureaucratic burden on micro businesses of cross-border VAT interalia by urgently introducing a threshold below which such businesses would not be required to collect VAT on a cross-border basis.
- **Member States should create a simple process for registering to pay VAT** on all e-commerce across the EU and a new improved Web portal could provide businesses with better information about the different VAT rules in Member States.
- Within Europe, **tax rules should be applied consistently to all companies. Digital businesses should pay the appropriate rate of tax on their profits** in the countries where they generate profits. The OECD's solutions to address digital business models by the end of 2015 should be considered and assessed.

## 2. Shaping the environment for digital networks and services to flourish

### ***The Commission's strategy on investment in infrastructure, and the review of the current telecoms and media rules***

*'All digital services, applications and content depend on high-speed internet and secure networks: the lifeblood of new, innovative digital services. To encourage **investment in infrastructure**, the Commission will therefore review the current **telecoms and media rules** to make them fit for new challenges, in particular relating to consumer uses (for example the increasing number of voice calls made over the internet) and new players in the field.'*

### **The ECR Policy Group's proposals:**

- The right balance needs to be struck to **ensure regulation is modernised to adapt to technological developments.**
- **Private sector investment is essential** in network infrastructure and long-term solutions should be facilitated to enable businesses to plan their investments.
- **Any new proposals should be innovation and digital economy proofed** and technologically neutral.
- **Any problems with the existing regulatory framework should be assessed.** This should include an assessment of the competition in online services markets and an analysis of the competition framework to ensure it meets the needs of the data-driven economy. The ECR is concerned about calls from stakeholders for competition rules to be replaced to enable greater market consolidation. This could be problematic for consumers as evidence suggests greater consolidation and reduced competition will lead to higher prices.
- High speed broadband is a pre-requisite for competition and the functioning of the Digital Single Market. EU broadband targets should be revised to be more ambitious. The Commission should focus on global state of the art technologies. **Broadband targets should be more ambitious and increased from 30MPS to 100MPS where there is demand.** Targets should be backed by market participants and financing to make them a reality. **Investment in super-high speed broadband should be targeted towards demand**, such as enterprise zones, tech clusters and business parks.
- The Internet of Things is changing how consumers interact with their devices. Legislation must therefore not hinder the development of these technologies. **The Commission must provide a legal framework which encourages innovation**, while striking the right balance and protecting user concerns on data and the Open Internet. The Internet of Things is already offering solutions for consumers to dramatically reduce their energy consumption and therefore energy bills and so we must support a legal framework that encourages entrepreneurship in the digital environment.
- **Excessive roaming charges are incompatible with the Single Market in a digital age.** However, in order to ensure that domestic customers do not experience price hikes in exchange for the abolition of surcharges for roaming customers, **there must be clear and transparent transitional arrangement until the wholesale market review can be finalised.**

- The consumer elements of the Telecoms Package should be prioritised, including switching, which will increase consumer choice and competition. Consumers should also be able to terminate contracts if service is below expectation

### ***The Commission's strategy on Spectrum:***

*'Spectrum is the air the internet breathes. Improving coordination among Member States is essential. Europe has witnessed significant delays in the roll-out of the latest **4G technology**, as suitable spectrum was not available. Spectrum does not stop at national borders: a European approach to its management is needed to promote a genuine single market with pan-European services.'*

### **The ECR Policy Group's concerns**

- Maximising the use of spectrum and balancing the demands thereof are both vital in order to optimise connectivity.
- Member States have deleted in its entirety the chapter on spectrum in the Council position on the Telecoms Package and have thus sent a clear message.
- **Shifting responsibility for spectrum from national regulators, who understand the market and its spectrum requirements, to the EU level is problematic and could create an additional layer of bureaucracy.** This could slow down spectrum release and risk distorting competition, creating legal uncertainty and reducing competitiveness. Instead, the Commission should focus on encouraging improved information exchange, dialogue and the sharing of best practice between Member States and national regulators.

***The Commission's strategy on online platforms, strengthening trust and swift removal of illegal content:***

*'The Commission will look into the growing importance of **online platforms** (search engines, social media, app stores, etc.) for a thriving internet-enabled economy. This includes looking at how to strengthen **trust** in online services through more transparency, how to include them in the online value chain, and to facilitate the **swift removal of illegal content**.'*

**The ECR Policy Group's proposals:**

- **The shared economy is growing rapidly and potentially brings huge economic and social benefits in a wide range of areas.** Care needs to be taken to ensure that fair competition principles are upheld. A level playing field is essential to ensure that businesses and consumers can have faith in the functioning of Internet platforms.
- **To remain credible, effective scrutiny of the behaviour of dominant firms and action taken where abuses are evident are important.**
- It is important that users benefit from an open and fair Internet with greater transparency in areas such as search engines and e-commerce platforms.
- The Commission should analyse the benefits and aspects associated with the rise of the sharing economy, with a view to identifying whether the current regulatory framework is comprehensive in a digital era. The distinction between a business and a consumer is increasingly blurred, so it may be necessary to consider whether regulation is appropriately framed.
- **Policy alternatives should be analysed to support the positive development of emerging digital companies,** including developing skills to create innovative digital applications, promoting a pro-entrepreneurship climate around crowd-funding, venture capital and other sources of investment; and encouraging joint initiatives to foster trust and transparency in app content and pricing.

**The ECR Policy Group's recommendations on Cybersecurity and Network Information Security**

- **Cybersecurity measures are needed to strengthen security and protect essential infrastructure, such as hospitals, power plants and banks,** where breaches and attacks may currently be underreported by businesses. Therefore, Governments and law enforcement authorities need to work with operators to encourage industry-led standards. This will make the EU a more attractive place to do business and will also provide EU companies which specialise in cybercrime the chance to flourish and gain a competitive advantage
- **More needs to be done to educate children and adults online** so that they know what to look out for to protect themselves online. In addition, Member States and multilaterals such as **EUROPOL and their Cybercrime Centre**

**must have the necessary skills, expertise and resources** to take on these fast-growing challenges and threats.

- **The Network Information Security legislation brings important potential for** enhanced cooperation between Member States. However, there should be safeguards in place to ensure sensitive information is sufficiently protected.

#### **The ECR Policy Group's recommendations on Child Protection Online:**

- **To protect children online, more robust measures and a proper framework for international and EU level cooperation is needed** to prevent child exploitation, detect and eradicate illegal child abuse images on the Internet. **It should not be considered censorship to ban images or videos of child sexual exploitation**
- **The effectiveness of social media companies in removing inappropriate, illegal content involving child exploitation should be consistently monitored and evaluated.**
- In addition, peer-to-peer bullying can take place on social networks and other websites. It is appropriate that users should be able to select parental-blocking tools **so that children can only access age-appropriate material online.**
- **EU-wide awareness campaigns, using social media to warn users of scams or threats and demonstrations of existing child safety online procedures and parental controls could also be helpful.**
- It is important for national Governments and law enforcement authorities to work with Internet service providers and social media companies to make sure that there is an increase in reporting and **sufficient mechanisms are in place to ensure the Internet is not a place where criminals can hide.**

#### **The ECR Policy Group's recommendations on Safe Harbour:**

- **A review of Safe Harbour is necessary to reflect changes in attitudes and technology.** However, calling for immediate suspension of safe harbour would not be appropriate as this would leave a regulatory void. Suspending the agreements would lower standards and compromise the security of the EU, individuals, enterprises and the economy.

### ***The Commission's strategy on Personal Data:***

*'Today, 72% of internet users in Europe are concerned about using online services because they worry that they have to reveal too much **personal data** online. The swift adoption of the Data Protection Regulation is key to boosting trust.'*

### **The ECR Policy Group's proposals:**

- **The Data Protection Framework should be agreed as soon as possible. It must be in a form that ensures the protection of users' data whilst not preventing growth.** It must support innovation and creativity in a data-driven form.
- Consumers must be able to exert better control over their data and be aware of how it is being used by businesses. They should be easily able to obtain the data collected by service providers so they can move it from one provider to another, or use it themselves.
- This cannot be achieved by building walls of regulation around the European Union and closing ourselves off from the opportunities of a global market.
- **The Data Protection Framework should create a less complicated legal landscape for businesses and consumers.** It should establish legal certainty which is important to consumers when purchasing goods online. This in turn will increase consumer trust and attract foreign investment.
- Too much bureaucracy will turn investment away at a time when it is vital to attract it.
- The EU should create the most effective and workable data protection laws, which should strike the right balance between protecting civil liberties and personal information and should not impose burdensome bureaucracy on small and medium sized enterprises.

### 3. Creating a European Digital Economy and Society with long-term growth potential

#### ***The Commission's strategy on the EU Manufacturing and Industrial sectors***

*'Industry is a key pillar of the European economy – the EU manufacturing sector accounts for 2 million companies and 33 million jobs. The Commission wants to help all industrial sectors integrate new technologies and manage the transition to a smart industrial system ("Industry 4.0").'*

#### **The ECR Policy Group's proposals:**

- **To be successful, European businesses will need to be capable of rapidly adjusting their physical and intellectual processes** in order to exploit changes in technology.
- New technologies and new developments in the digital world will inevitably create new risks. Therefore consumers need a data protection framework which they can trust, and which they believe will protect their rights and provide legal clarity over the use of their data. If this is achieved then consumers will be more willing to allow businesses, governments and researchers to use their data. Creating this kind of relationship will help create better services, enhance consumer choice and benefit the economy. **The regulatory environment must be future-proof and flexible in order to accommodate the increasing pervasiveness of 'Big Data'**, which provides the opportunity for firms to offer new and improved products and services which will help overcome our industrial challenges. Potential obstacles should be identified as early as possible, with appropriate solutions provided forthwith.
- In order to cope with the speed of change, **a forward looking system must be developed that identifies and supports new technologies and their applications.**



***The Commission's strategy on Standards and interoperability***

***Standards:*** *ensuring interoperability for new technologies are essential for Europe's competitiveness, they must be developed faster.*

**The ECR Group's proposals:**

- **Making sure public services are interoperable could bring major savings and efficiencies for businesses and consumers.** Through the second Interoperability Solutions Programme, **the Commission should explore innovative ways of encouraging the digitalisation and modernisation of public sector entities.** Any solutions identified should not lock-in old technologies and must be genuinely in demand to avoid the use of funds on initiatives which are not cost-efficient or useful.
- European operators and officials should engage in international fora to develop standards, taking care to robustly defend the need for a level playing field.

### ***The Commission's Strategy on the Data economy:***

*The Commission also wants industry and society to **make the most of out of the data economy**. Large amounts of data are produced every second, created by persons or generated by machines, such as sensors gathering climate information, satellite imagery, digital pictures and videos, purchase transaction records, or GPS signals. **Big data** is a goldmine, but it also raises important challenges, from **ownership to data protection to standards**. These need to be addressed to unlock its potential.*

### **The ECR Group's proposals:**

- **Data is the lifeblood of the digital economy and it is important that innovators can access it in order to develop new products and services.** Small businesses and particularly start-ups can make use of big data to make themselves more competitive.
- **The use of big data must be balanced with appropriate consent from the user** in line with the protections agreed in the data protection package. The role of data protection authorities is important in ensuring the responsible use of data.
- There is significant potential for big data in economic terms for the energy, space, and healthcare sectors, for example. Anonymised data must therefore be available for use.
- The use of big data is closely linked with the need for investment in R&D and robust supercomputing and broadband infrastructure.
- **A more technologically sophisticated consumer means that small and medium sized businesses can harness the opportunities and profitability of the use of the digital world**, which is why Data rules need to be workable so they can be implemented by small and local businesses to multi-nationals.
- **Adopting an Open Data Charter and revising existing legislation to include common standards for the publication of government data could be beneficial** and would facilitate easier data sharing.

### ***The Commission's strategy on Cloud computing***

*'Cloud computing, the use of which is rapidly growing: the proportion of digital data stored in the cloud is projected to rise from 20% in 2013 to 40% in 2020. While shared networks and resources can boost our economy, they also need the right framework to flourish and be used by more people, companies, organisations and public services across Europe.'*

### **The ECR Group's proposals:**

Cloud computing is becoming a powerful instrument for the development of the Digital Single Market and can offer economic benefits, particularly for SMEs, by reducing IT infrastructure and other costs.

- Use of cloud services guarantees an immediate remote access to data and computing capacity from any place. It is increasing the mobility and flexibility for entrepreneurs, enterprises, innovators, consumers, and workers.
- A main and generally-held concern is on the protection of stored data. **Given the trans-jurisdictional nature of cloud storage, a multi-national approach is required. A Fortress Europe could risk putting enterprises in the EU at a competitive disadvantage** and therefore the Commission should promote international standards and specifications for cloud computing, which enable reliable, accessible, interoperable and secure cloud services.
- Cloud users also face a possible risk linked to the sharing of sensitive data with cloud storage providers. This raises the question of the responsibility for the data and whether responsibility is unwittingly shifted from the individual users to the providers.

***The Commission's strategy on interoperable e-services and digital skills:***

*Europeans should also be able to fully benefit from interoperable **e-services**, from e-government to e-health, and develop their **digital skills** to seize the opportunities of the internet and boost their chances of getting a job.*

**The ECR Group's proposals:**

- The Commission should work with the European standards bodies to promote, where needed and in collaboration with industry and ICT standards organisations, **coherent digital standards to avoid fragmentation of the market**. Care should be taken to avoid 'standards' being used as protectionist barriers.
- **The quality and skills of the workforce and attracting talent will be crucial to securing a competitive advantage**. The flexibility of labour is crucial as firms will increasingly seek to build multi-disciplinary teams in order to develop increasingly complex products and design innovative business models.



European  
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and Reformists  
Group

It's time to take  
A NEW DIRECTION

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