DRAFT REPORT

on defining a new Digital Agenda for Europe: from i2010 to digital.eu (2009/2225(INI))

Committee on Industry, Research and Energy

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on defining a new Digital Agenda for Europe: from i2010 to digital.eu (2009/2225(INI))

The European Parliament,

– having regard to the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions entitled 'Europe's Digital Competitiveness Report. Main achievements of the i2010 strategy 2005-2009' (COM(2009)0390),

– having regard to its resolution of 14 March 2006 on a European information society for growth and employment¹,

– having regard to its resolution of 14 February 2007 - Towards a European policy on the radio spectrum²,

– having regard to its resolution of 19 June 2007 on building a European policy on broadband³,

– having regard to its resolution of 21 June 2007 on consumer confidence in the digital environment ⁴,

– having regard to Rule 48 of its Rules of Procedure,

– having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on ... and the Committee on .... (A7-0000/2010),

A. whereas Information and Communication Technologies (ICT) permeate virtually all aspects of our lives and are inextricably linked with our desire for a prosperous and competitive economy, for the preservation of our environment, and for a more democratic, open, inclusive society,

B. whereas Europe will only reap the benefits of this digital revolution if all EU citizens are mobilised and empowered to participate fully in the new digital society and the person is placed at the core of the policy action; whereas this digital revolution can no longer be thought of as an evolution from the industrial past but rather as a process of radical transformation,

C. whereas Europe's potential lies in the skills of its population, its workforce, and its organisations; whereas without skills there can only be limited economic and social value from ICT technologies and infrastructures,

D. whereas citizens will refrain from interacting, expressing their opinions freely and

¹ OJ C 291 E, 30.11.2006, p. 133.
² OJ C 287 E, 29.11.2007, p. 364.
entering into transactions if they do not have sufficient confidence in the legal framework of the new digital space; whereas the guarantee of digital rights is an essential condition for confidence on the part of citizens,

E. whereas we have not yet achieved a fully functioning single market for online services in Europe; whereas the free movement of digital services is today severely hindered by fragmented rules at national level,

1. Calls on the Commission to come forward with a proposal for a comprehensive strategy and action plan enabling Europe to progress towards an open and prosperous digital society; proposes that this new framework be called '2015.eu agenda' and be based on the model of the virtuous 2015.eu spiral;

2. Stresses the importance of continuing efforts towards ubiquitous and high-speed access for all citizens and consumers, through the promotion of access to fixed and mobile Internet and the deployment of next-generation infrastructure; emphasises that this requires policies that promote access on fair terms and at competitive prices for all communities, irrespective of location, thereby ensuring that no European citizen faces exclusion;

3. Believes that every EU household should have access to broadband Internet at a competitive price by 2013; urges the Commission therefore to carry out a review of the universal service obligations and calls on Member States to impart new impetus to the European high-speed broadband strategy, notably by updating national targets for broadband and high-speed coverage;

4. Underlines the importance of maintaining Europe as the mobile continent in the world and ensuring that 75% of mobile subscribers are 3G (or beyond) users by 2015; recalls the necessity to accelerate the harmonised deployment of the digital dividend without compromising existing broadcast services;

5. Considers that, as Internet access rates are increasing, 50% of EU households should be connected to high-speed networks by 2015;

6. Calls on Member States to transpose the telecoms package before the established deadline, in particular the new provisions on Next Generation Access (NGA) networks and spectrum, which provide for a stable regulatory environment to stimulate investment while safeguarding competition;

7. Recalls that one aim of the new electronic communications regulatory framework is progressively to reduce ex ante sector-specific rules as competition in the markets develops and, ultimately, for electronic communications to be governed by competition law only;

8. Insists that digital competences are crucial for an inclusive digital society and that all EU citizens should be empowered with the appropriate digital skills; emphasises the essential commitment to reduce digital literacy and competence gaps by half by 2015;

9. Stresses that all primary and secondary schools must have high-speed Internet
connections by 2015;

10. Proposes the launch of a 'Digital literacy action plan' at EU and Member State levels, notably comprising: specific digital literacy training opportunities for groups at risk of exclusion; incentives for private-sector initiatives to provide digital skills training to all employees; a European-wide 'Be smart online!' initiative to make all students familiar with the safe use of ICT and online services; and a common EU-level ICT certification scheme;

11. Emphasises that all EU citizens should be made aware of their basic digital rights through a European Charter of citizens' and consumers' rights in the digital environment, consolidating and updating the Community acquis as appropriate;

12. Believes firmly that the protection of privacy constitutes a core value and that all users should have control of their personal data, including the 'right to be forgotten'; calls therefore for the adaptation of the Data Protection Directive to the current digital environment;

13. Calls on the Commission to take further action to fight cybercrime and spam and urges all Member States to ratify the Cybercrime Convention;

14. Insists on safeguarding an open Internet, where citizens have the right to access and distribute information or run applications and services of their choice; calls on the Commission, the Body of European Regulators for Electronic Communications (BEREC) and the National Regulatory Authorities (NRAs) to monitor closely and enforce the harmonised implementation of the 'net neutrality' provisions;

15. Calls on the Commission to propose before 2013 a long-term solution to the problem of roaming;

16. Calls on the EU institutions to remove the key regulatory obstacles to cross-border online transactions by 2015; calls on the Commission to review the Community acquis affecting the online single market and to propose targeted legislative action on key impediments;

17. Takes the view that, almost a decade after their adoption, the Directives concerning the legal framework for the information society (i.e. the Data Protection Directive, Electronic Signatures Directive and Electronic Commerce Directive) appear out of date due to the increased complexity of the online environment and the introduction of new technologies; believes that, while the legal issues arising from some Directives can be resolved through an incremental update, other Directives need a more fundamental revision;

18. Emphasises the potential value to citizens and businesses of the digital switchover of public services and calls on Member States to develop national plans for the digital switchover of public services, which should include targets and measures for getting all public services online and accessible to persons with disabilities by 2015;

19. Emphasises the need to develop the free circulation of content and knowledge and to achieve, by 2015, a simple, consumer-friendly legal framework for accessing digital content in Europe, which would give certainty to consumers and ensure robust solutions
that are balanced and attractive for users and rights-holders; urges the EU to accelerate the debate on copyright and to establish an EU copyright title under Article 118 of the Treaty on the Functioning of the EU by 2013;

20. Considers that, alongside consistent deployment of ICT, it is essential to promote ICT research excellence and foster public and private investment in high-risk, collaborative ICT research and innovation; stresses that Europe should be at the cutting edge in the development of Internet technologies and ICT low-carbon applications; proposes that the EU ICT research budget be doubled and that the budget for ICT take-up be multiplied by four in the next Financial Perspective;

21. Is concerned about red tape in the EU Framework Programme (FP); calls on the Commission to eliminate red tape by re-engineering FP processes and by creating a users' board;

22. Considers that the 2015.eu agenda should aim at mainstreaming ICT for a low-carbon economy; calls for exploitation of ICT technologies to enable a reduction of 15% in CO₂ emissions to be achieved in key sectors by 2020 and calls for promotion of responsible energy consumption, notably through the installation of smart meters in 50% of homes by 2015; points out also that the ICT sector footprint should be reduced by 50% by 2015;

23. Considers that the ownership of the 2015.eu agenda by all political levels (EU, national and regional), as well as political visibility, are essential prerequisites for effective implementation; proposes in this regard that Digital Agenda Summits be periodically organised to review progress at Union and Member State level and to renew political impetus;

24. Draws the attention of the Commission specifically to the necessity to set smart (specific, measurable, appropriate, realistic and time-based) objectives and targets and adopt an Action Plan mobilising all appropriate EU instruments: funding, soft law, enforcement and, where necessary, targeted legislation;

25. Instructs its President to forward this resolution to the Council, the Commission and the Member States.
EXPLANATORY STATEMENT

Information and communication technology (ICT) now permeates virtually all aspects of our lives. ICT is inextricably linked with our desire for a prosperous and competitive economy, for the preservation of our environment, and for a more democratic, open, inclusive society. The changes we have been experiencing can no longer be thought of as an evolution from the industrial past; they call for a radical transformation. Business as usual is therefore not an option. Europe will only reap the benefits of this digital revolution if all EU citizens are mobilised and empowered to participate fully in the new digital society.

The policy areas and enabling factors identified in this report form an overall ICT policy framework for the EU over the next five years that the rapporteur proposes to call '2015.eu agenda'. This renewed agenda can be graphically depicted as a virtuous 2015.eu spiral (see Annex). The core of the spiral is the person (both as citizen and as consumer). Each person should be empowered with the appropriate competences and ubiquitous and high-speed access. Citizens also need a clear legal framework that protects their rights and that provides them with the necessary trust and security. This is essential for citizens to enjoy the freedom to access without impediments digital services and content throughout the entire internal market (‘fifth freedom’). Finally, knowledge and technologies are indispensable for supporting the competitiveness of our economy and a more prosperous society.

This report is intended to provide guidance and inspiration, notably to the Commission, for the proposal of a comprehensive 2015 strategy and action plan mobilising all appropriate EU instruments: funding, soft law, enforcement and, where necessary, targeted legislation.

I. EMPOWERING CITIZENS AND CONSUMERS

Europe will only reap the benefits of this digital revolution if all EU citizens are mobilised and empowered to participate fully in the new digital society. This requires confidence by investors to make long term commitments, confidence by governments to move more strongly to e-government and confidence by citizens to use the digital services.

1. Ensuring ubiquitous and high-speed access

A prerequisite for the creation of a European knowledge society is that all users have access to resilient and reliable wired and wireless broadband networks. Fixed and wireless technologies need to be widely available and interoperable to allow seamless high rate access to the Internet.

1.1 Achieving a fully connected society

This requires policies that promote access on fair terms and at competitive prices to all communities, irrespective of location, thereby ensuring that no European citizen faces exclusion. A fully connected society means today also a mobile society. The economics of mobile are highly dependant on spectrum cost and availability and it is important that the spectrum in the Digital Dividend bands is made available as soon as practical without compromising existing broadcast or other services.

Policy goals:

- Every EU household should have access to broadband Internet at a competitive price by 2013.
- Keep Europe as the mobile continent in the world: 75% of mobile subscribers should be 3G (or beyond) users by 2015.
Policy actions:
- Review by the Commission of the universal service obligations by 2010.
- European high-speed broadband strategy, including an update of Member States’ targets (2010-2015).
- Accelerate the harmonised deployment of the Digital Dividend (2010-2015) and support the extension of coverage and quality of broadband through its allocation.

1.2 Deploying the next generation infrastructure
The capital outlays potentially needed for deploying high-speed networks throughout the EU are clearly significant. The new provisions of the telecoms package relating to NGA provide a stable and predictable regulatory environment to stimulate investment while safeguarding competition and rewarding risk.

Policy goals:
- 50% of EU households should be connected to high-speed networks by 2015.

Policy actions:
- Swift transposition of the telecoms package (before mid 2011).

2. Digital competences for an inclusive digital society
Europe's potential lies in the skills of its population, its workforce, and its organizations. Without pervasive infrastructure there can only be limited use of ICT and without skills there can only be limited economic and social value from that use. If ignored, the lack of ICT skills will be the bottleneck that prevents the EU from being competitive in the global economy. Skills requirements and tools will differ between age groups, but the necessity is strong in all groups.

Policy goals:
- Halve the digital literacy and competence gaps by 2015.
- All primary and secondary schools should have high speed internet connections by 2015.
- All primary and secondary school students should receive training on Internet risks and about a safe and responsible use of it by 2012.
- All adults of working age should be offered ICT training opportunities (2010-2015).

Policy actions:
- Digital literacy and competence Action Plan (2010-2015) comprisingy:
  - Specific digital literacy training actions (i.e. vouchers) for groups at risk of exclusion.
  - Public-private partnerships and incentives to private sector initiatives to provide training to all employed people.
  - 'Be smart online!' initiative to make all students familiar with the safe use of ICT.
  - EU level ICT diploma as part of standard education and EU certification scheme for digital skills acquired outside the formalised education system.
3. Digital rights
When there is no sufficient confidence in a legal framework, citizens refrain from interacting, expressing freely their opinions and entering into transactions. Only through properly empowered and informed citizens will Europe unlock the full social and economic potential of the new online environment.

Citizens should be made aware of the privacy impact of their behaviour in an online context, and should be afforded the right to require the removal of personal data even when the data was initially collected with the consent of the data subject. The fight against cybercrime is another significant challenge. The effective enforcement of EU legislation in this field is often obstructed by cross-border legal issues, such as competent jurisdiction or applicable law.

Policy goals:
- All citizens should be aware of their basic digital rights.
- All users should have control of their own data ('right to be forgotten').

Policy actions:
- Ratification of Cybercrime Convention by all Member States (2010-2015).

II. AN OPEN AND COMPETITIVE DIGITAL SINGLE MARKET
The well–functioning of the digital economy is imperative for the well–functioning of the entire EU economy. However, the free movement of digital services is today severely hindered by fragmented rules at national level. Businesses are facing many barriers to selling across the borders, mainly because of the different regulations applicable at Member State level in areas such as consumer protection, VAT, recycling of electrical and electronic equipment, specific products regulations, and payment transaction. Unless this is solved, businesses and consumers will never reach the full potential of the digital economy.

4. Implementing effectively the new regulatory framework
Regulatory fragmentation in telecoms costs Europe’s businesses €20 billion per year according to experts' estimates – a cost factor that should be eliminate as soon as possible by bringing the reforms into force, and by applying the new rules effectively.

Policy goals:
- Achieving a fully competitive electronic communications market.
- Safeguarding an open Internet respecting the right of citizens to access and distribute information or run applications and services of their choice.

Policy actions:
- Transpose and implement the revised regulatory framework as quickly as possible (before mid 2011).
- BEREC should be operational as soon as possible.
- Harmonised implementation of the 'net neutrality' provisions in the Member States.
• Solution to the problem of roaming avoiding the need to perpetually regulate retail prices by 2013.

5. Boosting the digital services market
We have not achieved yet in Europe a fully functioning single market for online services. Figures speak for themselves: only 7% of all transactions made by European consumers over the web are cross-border; only 35% of the total population in the EU have used advanced internet services in the last 3 months.

5.1 Removing the obstacles hindering the digital services market
Fragmentation in Europe’s market of 500 million consumers prevents economies of scale, to the detriment of businesses and consumers. The EU regulatory framework for the information society was created in a piecemeal fashion over a period of several years (mainly 2000-2005), resulting in a set of EU Directives that each cover one or more different areas of the information society (i.e. Data Protection Directive of 1995, the Electronic Signatures Directive of 1999, the Electronic Commerce Directive of 2000). Almost a decade after their adoption these Directives appear dented by the increased complexity of the online environment. While the legal issues of some Directives can be resolved through a small incremental update, other Directives need a more fundamental revision.

Policy goals:
• Eliminate the key regulatory obstacles to cross-border online transactions by 2015.
• Every mobile user should be able to use its device as a mobile wallet by 2015.

Policy actions:
• Review the Community acquis affecting the online single market: scoreboard of obstacles plus targeted action on key impediments.
• Develop common EU-wide standards and rules for mobile payments ('m-cash').

5.2 Digital switchover of public services
ICT tools enable enhanced public engagement, increased access to public information and strengthened transparency. Mobility in the Single Market can be reinforced by seamless e-Government services for setting up and running of a business and for studying, working, residing and retiring anywhere in the EU.

Policy goals:
• All public services should be available online and accessible by persons with disabilities by 2015.
• 50% reduction of the carbon footprint of public services by 2015.

Policy actions:
• Develop national plans for the digital switchover of public services including:
  - Targets and measures for getting governments, health and education services on line by 2015 and for promoting the take-up by citizens and businesses.
6. Developing the Fifth Freedom: free circulation of content and knowledge

When it comes to the provision of digital content, Europe cannot claim to be the largest marketplace in the world, it is 27 separate markets. Providers of content are confronted with overly complex and nationally based licensing systems, which make it more difficult for digital businesses to provide compelling legal content offers. This not only limits the availability of legal content online, but also stifles the development of new media services. These issues are part of a difficult and urgent debate, but illustrate in any case that a fundamental revision of the current state of online copyright is becoming necessary. We need to accelerate this debate to ensure robust solutions that are balanced and attractive for users and right holders.

Policy goals:

Policy actions:
- Establishment of an EU copyright title under Article 118 of the TFEU by 2013.
- Develop common EU-wide standards and rules for online payment methods (i.e. 'm-cash') by 2012.

III. A PROSPEROUS ECONOMY AND SOCIETY

It is widely acknowledged that there is a direct link between the investment in ICT and economic performance, as it raises the innovation capacities of all industrial sectors in a horizontal way, improves productivity and helps to optimise the use of natural resources. Research and innovation capacity is essential to be able to shape, master and assimilate ICT technologies and exploit them to economic, societal and cultural advantage.

7. Promoting world class research and innovation

Open Innovation requires global interaction throughout the research value chain and easier co-operation with research institutions outside of Europe. Within this context, ICT research and innovation policy should promote the pooling of public and private funding and its focusing it on areas where Europe is or can become a global leader. Research efforts should not be undermined by undue red-tape of public funding programmes.

Policy goals:
- Europe at the leading-edge of the development of internet technologies.
- Technological leadership in ICT low-carbon applications.
- Radical reduction of EU Framework Programme red-tape.

Policy actions:
- Double EU ICT research budget in next Financial Perspective and multiply by 4 the budget for ICT take-up.
- Develop the Future Internet Public Private Partnership.
- Reengineer Framework Programme processes to eliminate red-tape and create a users' board to ensure user-friendliness.

8. Supporting the competitiveness of the EU economy
Europe’s future competitiveness and its ability to recover from the current economic crisis depend to a large extent on its capacity to facilitate widespread and effective deployment of ICT in businesses. SMEs can be the mainspring of Europe's economic resurgence. But in the use of productivity-boosting ICT tools, SMEs lag substantially behind big firms.

**Policy goals:**
- ICT goods and services trade balance of the EU should be positive by 2015.
- 80% of SMEs should use advanced business tools by 2015.

**Policy actions:**
- Promote the emergence of and the use by SMEs of Internet based services, such as cloud computing or software as service models.

9. Mainstreaming ICT for a low-carbon economy

ICT can and should play a major role in promoting responsible energy consumption in households, transport, energy generation and manufacturing. Smart meters, efficient lighting, cloud computing and distributed software can transform usage patterns of energy sources.

**Policy goals:**
- 15% ICT enabled CO₂ emissions reduction in key sectors by 2020.
- Reduction of the ICT sector footprint by 50% by 2015.
- More energy efficient behaviour by consumers: 50% of homes fitted with smart meters by 2015.

**Policy actions** will be the subject of a specific INI report.

IV. ENABLING FACTORS

In order for the 2015.eu digital agenda to become this strategic framework and to produce the intended results, strong political ownership and effective delivery mechanisms are required.

10. Political Leadership

**Multilevel governance and ownership**

2015.eu will only be effective if it is 'owned' by all political levels and is implemented as a shared responsibility at EU, national and regional levels.

**Political visibility**

The organisation Digital Agenda Summits should help to review progress, to reinforce the commitment of the actors involved, to raise the profile of the role of ICT and renew political impulse.

11. Effective delivery

**Smart objectives and targets**

A strategy without smart (specific, measurable, appropriate, realistic, and time-based) objectives is not more than a declaration of intentions. Member States should set national
smart objectives corresponding to their different situations.

**EU Action and Legislative Programme**
The objectives to be pursued at the EU level shall be spelt out in terms of an Action Plan and, where necessary, targeted legislation. All appropriate delivery mechanism and all EU instruments should be mobilised.

**Monitoring and benchmarking**
The Commission and the Member States should systematically benchmark, evaluate and monitor progress every year by means of a 2015.eu scoreboard.
ANNEX
The 2015.eu Virtuous Spiral
(and enabling factors)