

Ref: A Digital Single Market that Drives Growth and Creates Opportunity

25th May 2016

Dear Minister Henk Kamp,

Cc. Andrus Ansip, Gunther Oettinger, Elżbieta Bienkowska

The Digital Single Market strategy announced by the European Commission, and supported by the Council, is an important strategy to restore dynamism to the European economy. The choices made during legislative deliberations will determine whether it will deliver the promised benefits, or, in fact, make trading across the single market harder and slow down the digitisation of industry.

The work of the Council in choosing dynamic and forward-looking outcomes will be vital. We are encouraged by the recent letter signed by ministers from fourteen European Union member states which sets out a sound approach to reform: ensure that market entry by innovative businesses is straightforward and cross border expansion as seamless as possible. Such an environment would foster robust competition and encourage investment and innovation.

Policy proposals designed to deliver a digital single market should be evidence-based, future proof and address specific and well understood problems. Thorough impact assessments will ensure that

policy is adapted to the best interests of society as a whole, and not to special interests. National initiatives should not put the internal market at risk.

Policy towards digital platforms should recognise the positive contribution that new models make to economic progress and encourage both the adoption of their use across the EU and innovators looking to build new platforms. Economic and social issues that emerge should be dealt with by existing consumer protection, data protection or competition law. Where possible, self and co-regulation provide flexible ways to protect consumers across a digital single market and should be encouraged. Burdensome new regulation would discourage market entry, thus entrenching the position of today's market actors. As an example, the successful principle that intermediaries are not liable for wrongdoing by users should be protected and not be undermined by copyright-related initiatives.

European policy towards next generation networks and communication services should encourage investment and the deployments of high-speed networks within a framework of strong competition. This means regulating bottlenecks and removing any unnecessary sectoral regulation.

Related rules on ePrivacy should take proper account of the new General Data Protection Regulation; a proper understanding of its impact is necessary before rushing into a revision of the 2009 ePrivacy Directive. Consideration must be given to the role of encryption in preserving the security of communications and the integrity of other connected services, where it is used.

To derive maximum benefit from new technologies, goods, services and data must be able to move freely across borders. European policy should ensure that data can move freely within the European Union and, under proper control, to international trading partners.

The choices made in the Council can ensure the single market is updated for the digital age, delivers opportunity for innovative business whether large or small, and benefits consumers. An alternative path, one that seeks to preserve incumbent positions and introduces unnecessary burdens, would result in a missed opportunity.

The signatory organisations look forward to working with the Council to deliver on Europe's digital and single market ambitions.