Europe agrees cross-border access to digital content by 2018

In December 2015 the Commission proposed a Regulation to broaden access to online content for travellers in the EU. This month, on 7 February, the Commission, Parliament and Council of the EU came to an agreement on new rules for cross-border access to digital content. The rules will allow full use of online subscriptions to digital content (films, sports events, e-books, video games or music services) when traveling across the EU. This is the first agreement related to the modernisation on EU copyright rules as proposed by the Commission in the Digital Single Market strategy.

Vice-President in charge of the Digital Single Market Andrus Ansip welcomed the agreement, reached just one week after a deal on wholesale roaming charges. Commissioner Tibor Navracsics (Education, Culture) said that digital technologies provide new opportunities to enjoy cultural content “on the go” and that today’s agreement opens new doors to citizens while at the same time protecting creators and those investing in the production of cultural or sport content.

The future regulation will enable consumers to access their online content services when they travel in the EU the same way they access them at home. The online content service providers like Netflix, MyTF1 or Spotify will verify the subscriber’s country of residence by using means such as payment details, the existence of an internet contract or by checking the IP address. All providers who offer paid online content services will have to follow the new rules. The services provided without payment (such as the online services of public TV or radio broadcasters) will have the possibility to decide to also provide portability to their subscribers.

In terms of next steps, the agreed text must now be formally confirmed by the Council of the EU and the European Parliament. Once adopted, the rules will become applicable in all EU Member States by beginning of 2018 as the Regulation grants providers and right holders a 9 month period to prepare for the application of the new rules.
CLOUD INITIATIVE

Plenary adopts European Cloud Initiative

Following to the January vote on the report for a European Cloud Initiative in the Industry Committee, the plenary session of the European Parliament approved the text this month.

The European Cloud Initiative aims to bolster the EU’s potential in the area of cloud computing, through advancing the bloc’s development of high-performance computing (“HPC”). MEPs emphasized that cloud computing standardization should be expedited, and that raising awareness of cloud computing more generally is of vital importance. The resolution can be found here.

The plenary adopted the report with an overwhelming majority of 444 to 93, with 50 abstentions. This report is an own-initiative report, which is non-binding as such, yet helps to understand the Parliament’s position on a specific topic. As such it may lead to future legislative proposals.

CYBERSECURITY

NIS Directive and Brexit

The UK government announced that it will be implementing the EU’s Network and Information Security Directive (NIS Directive) regardless of Brexit. EU countries have until 9 May 2018 to implement the Directive into their national laws. Given Brexit, the UK government confirmed in its Cyber Security Regulation and Incentives Review that details of the UK’s implementation of the NIS Directive will be released in 2017.

As a reminder, the NIS Directive aims to ensure that critical IT infrastructure in key sectors of the economy are secure from the ever-growing list of cybersecurity threats. The NIS Directive will apply to companies within “critical sectors” (e.g., banking, health care, energy and transport) and digital service providers (e.g., online marketplaces, search engines and cloud services).

Businesses that operate in one of the above two categories will be required to take appropriate security measures and to notify the relevant national authority in the event of a significant incident.

The UK government’s current approach is to encourage organisations to manage their own risk in respect of data, rather than create more regulations and bureaucratic red tape.

In lieu of setting specific cybersecurity controls or making cybersecurity insurance mandatory, the government has been pointing out that investment in cybersecurity is in the best interests of businesses, and they should conduct self-assessments to ensure that their cybersecurity practices are up-to-date – especially in light of the incoming General Data Protection Regulation (GDPR) which comes into force 25 May 2018 (see more below).

DATA PROTECTION

Europe’s Data Privacy Rules: Industry must watch out for profiling

Companies experimenting with artificial intelligence technologies may find it challenging over the next few years, as they expand their operations in Europe. That’s because by May 2018, tough new European Union rules related to the General Data Protection Regulation (GDPR) will come into effect and could pose problems for companies that rely on gathering and processing user data for their businesses.

At a panel on data privacy during a cybersecurity conference in San Francisco, Cisco chief privacy officer Michelle Dennedy explained that companies—from sports brands to pharmaceutical corporations—are gathering more data than ever from the influx of Internet-connected devices now wired into their IT infrastructure. And the problem is that the upcoming regulation is especially tough on profiling, which is essentially the ability for companies to use automation to determine certain characteristics of their individual users.

Because the EU regulation leans heavily on protecting the personal data of an individual, companies operating in the European Union have to be careful with how they handle and process their customer data. If the EU determines that a company’s use of data analytic and automation technologies ends up discriminating against certain groups of people, or if a business is unable to fix potential problems with their technologies, they face fines that can go up to 4% of their overall revenue.

Companies need to carefully determine how to use their various types of data for different purposes that do not potentially put them at risk of a violation. In some cases, that may mean a company should leave out certain demographc data when debuting a specific service overseas, she said.
AI & ROBOTICS

**European Parliament calls for new rules for robots**

This month the European Parliament took a step to introduce new regulation of robots in Europe. Declaring that the EU needs to “take the lead” in this area, the Parliament endorsed a report that asks the European Commission to propose rules on robotics and artificial intelligence, in order to fully exploit their economic potential and to guarantee a standard level of safety and security. The report addresses various kinds of robots, amongst others autonomous vehicles, care robots, medical robots, or drones. After the vote, Parliament’s draftsman Mady Delvaux (S&D/Luxembourg) said: “Although I am pleased that the plenary adopted my report on robotics, I am also disappointed that the right-wing coalition of ALDE, EPP and ECR refused to take account of possible negative consequences on the job market. They rejected an open-minded and forward-looking debate and thus disregarded the concerns of our citizens.” Instead, the Parliament potentially created a new workforce by asking the Commission to consider setting up a European agency for robotics and artificial intelligence, to supply public authorities with technical, ethical and regulatory expertise. This vote follows an earlier report published in May 2016 on Civil Law Rules on Robotics with proposals on the regulation of the robotics industry at an EU level. Such regulation was argued necessary in order to ensure that the EU and its Member States maintained control over the regulatory standards at which the industry operated in the EU, as well as to ensure certainty for enterprises planning to develop their businesses therein. The parliamentary Committee on Legal Affairs also released a preliminary study on the impact of robotics on civil law.

TELECOMS

**End of roaming charges: agreement on wholesale prices**

At the beginning of this month, representatives of the European Parliament, the Council and the Commission agreed on how to regulate wholesale roaming markets (the prices operators charge each other when their customers use other networks when roaming in the EU). They agreed on the following wholesale caps:

- 3.2 cents per minute of voice call, as of 15 June 2017
- 1 cent per SMS, as of 15 June 2017
- A step by step reduction over 5 years for data caps decreasing from €7.71 cent per SMS, as of 15 June 2017, €6 per GB (as of 1 January 2018), €4.5 per GB (as of 1 January 2019), €3.5 per GB (as of 1 January 2020), €3 per GB (as of 1 January 2021) and €2.5 per GB (as of 1 January 2022).

Mr Andrus Ansip, Vice-President for the Digital Single Market, warmly welcomed the agreement, especially thanking the Parliament’s rapporteur Miapetra Kumpula-Natri and the Maltese Presidency of the Council: “This was the last piece of the puzzle. As of 15 June, Europeans will be able to travel in the EU without roaming charges. We have also made sure that operators can continue competing to provide the most attractive offers to their home markets.” Last night’s political agreement is a final achievement to make “roam-like-at-home” work as of 15 June 2017, as foreseen in the Telecom Single Market (TSM) Regulation. It means that when travelling in the EU, consumers will be able to call, send SMS or surf on their mobile at the same price they pay at home. The agreement makes “roam-like-at-home” sustainable for people and businesses, while ensuring cost recovery and keeping national wholesale roaming markets competitive.

In terms of next steps, the European Parliament and the Council must now formally approve the agreement reached. The new wholesale roaming prices will become applicable on 15 June 2017, which allows operators few months to take all the necessary preparatory steps for the introduction of roam-like-at-home by then.

**Commissioner Ansip: 5G available in EU cities, road and railways by 2025**

Ahead of the Mobile World Congress event this month Digital Single Market Commissioner Ansip said that Europe was at ‘crunch point’ when it comes to telecoms, with the planned move to 5G set to transform how people live, work, play and communicate.

Vice-President Ansip stressed the importance of 5G and reiterated the European Commission’s plan to have uninterrupted 5G available in the EU across all urban areas as well as major roads and railways by 2025. Ansip claimed that 5G is no longer “just about communicating or making a phone call”. The majority of Europeans now use the internet to buy products and services and do their banking, and there is huge demand for smartphones and tablets.

He added that high-performance connectivity is also required for digital consumer services, industry digitisation and big data, with some 50 billion Internet of Things devices due to be connected worldwide in the next 10 years: “As a basic IoT requirement, we need a new generation of networks and infrastructure. That means 5G, for which we have to be ready very soon.” He added that he is willing to discuss the issue of setting global standards for 5G, which, according to the Commissioner, “is not an easy issue, technically or politically.”