BREXIT

Start of the exit talks begin

On 29 March Prime Minister Theresa May formally invoked Article 50 of the Treaty on European Union. The UK thereby notifies the European Council that it will be leaving the EU no later than early 2019. The declaration kicks off a two-year negotiation period during which the UK will attempt to reach agreement on the terms of its departure from, and future trading arrangements with, the EU.

Simultaneously the European Parliament is said to make a statement in its plenary session at the beginning of April that the UK will only be able to negotiate a trade agreement with the EU if it agrees to continue to meet EU standards. The draft resolution reads: "Any future agreement between the European Union and the United Kingdom is conditional on the United Kingdom’s continued adherence to the standards provided by the Union’s legislation and policies."

Among these, it lists the fields of environment, climate change, the fight against tax evasion and avoidance, fair competition, trade and social policy. The text also rejects any "piecemeal or sectorial provisions", such as in the area of financial services, which would give UK-based companies preferential access to the internal market. But it leaves open the option for the UK to participate in some EU programmes, such as Erasmus, provided that it contributes to their budget.

The draft text, agreed between the political groups at the end of May, outlines the Parliament’s demands for the negotiations on the UK’s withdrawal from the EU following the country’s formal Brexit notification. It is partially an attempt to influence the guidelines for the negotiations, to be adopted by EU leaders at the European Council meeting on 29 April.

The draft resolution, which will be voted on by the Parliament’s plenary session in April, calls on the negotiations on the withdrawal to start as soon as possible. The Parliament wants the withdrawal agreement and any potential transitional arrangements to enter into force "well before" the European Parliament elections in May 2019.

The text stresses that any agreement on the future relationship between the EU and the UK can only be concluded after the UK has withdrawn from the EU. However, it suggests the withdrawal negotiations could already "take account of the framework of the United Kingdom’s future relationship" with the EU.

Any transitional arrangements to ensure continuity must preserve the integrity of the EU legal order and cannot exceed three years, it adds.

The Parliament outlines a number of elements that must be addressed in the withdrawal agreement, including the legal status of EU citizens living in the UK and of UK citizens living in EU states. This must be "subject to the principles of reciprocity, equity, symmetry and non-discrimination", it argues.

It also calls for a clarification on the status of the international commitments...
that the UK has taken on as an EU member.
A country leaving the Union “cannot enjoy similar benefits as a European
Union Member State”, the draft argues, announcing the Parliament’s
intention to reject “any agreement that would contradict this”. Finally, it
stresses that the UK “must honour all its legal, financial and budgetary
obligations, including commitments under the current multiannual financial
framework, falling due up to and after the date of its withdrawal”.

Sources: Interal + Ends Europe

DIGITAL SINGLE MARKET

2017 Digital Economy and Society
Index results are out

This month the European Commission published the results of the
2017 Digital Economy and Society Index (DESI). This tool presents the
performance of Member States across a number of areas, from connectivity
and digital skills to the digitalisation of businesses and public services.
The Digital Economy and Society Index (DESI) is an online tool to measure
the progress of EU Member States towards a digital economy and society.
It is a composite index that summarises relevant indicators on Europe’s
digital performance and tracks the evolution of EU Member States in digital
competitiveness.

The DESI is composed of five principal policy areas which represent overall
more than 30 indicators:

- Connectivity: how widespread, fast and affordable broadband is,
- Human Capital: the digital skills of the population and workforce,
- Use of Internet: the use of online activities from news to banking or
  shopping,
- Integration of Digital Technology: how businesses integrate key digital
  technologies, such as e-invoices, cloud services, e-commerce, etc. and
- Digital Public Services: such as eGovernment.

Please click here to consult the performances of each of the Member States.
The results will be taken into account as part of the review of the Digital
Single Market strategy to be unveiled in May 2017.

CYBERSECURITY

Commission’s scientific advisers
publish opinion on cybersecurity

This month the High Level Group of the Commission’s Scientific
Advice Mechanism (SAM) published an opinion on cybersecurity with
recommendations to improve online access and safety for people and
businesses in the EU. The recommendations touch upon the necessity
to make systems more secure, to empower users, to strengthen Europe’s
cybersecurity industry and improve the coordination on cyber-incidents
across Europe.

The opinion also calls for a global cybersecurity governance framework,
in which the EU would play a leading role. Commission Vice-President for
the Digital Single Market Andrus Ansip, who requested the opinion, said:
“Cyber threats are getting increasingly sophisticated, cyber security is of
major importance for the Digital Single Market. Europe’s digital economy
will only bring benefits to its citizens if they can be sure of its security.
For example, the Commission is organising today a roundtable on main

challenges for cyber security in the energy system. The scientific opinion
is another important part of our cybersecurity policy and will feed into our
work on cyber security in 2017.”

Carlos Moedas, Commissioner for Research, Science and Innovation, added:
“Citizens need confidence in the Digital Single Market and the opportunities
offered by digital technologies for better services and innovation. They need
to feel reassured that their privacy is protected when they do business online,
to enable growth and new business and at the same time to ensure that
fundamental rights and values are protected. This independent scientific
opinion provides many valuable insights to help us achieve these goals.”
The SAM was set up in October 2015 to contribute to the quality of EU
legislation and complements the existing science advisory structures of the
Commission.

Source: European Commission

Strategy on cybersecurity for
power networks published

The Commission’s
DG Energy is preparing a strategy
on cyber security for the whole energy
sector to reinforce and to complement
the implementation of Directive on security
of Network and
Information Systems (NIS). This Directive was adopted by Parliament and
Council in 2016 and is now in its implementation phase by Member States.
In order to assist the Commission in overviewing the implementation
process, DG Energy launched the Energy Expert Cyber Security Platform
(EE CSP), which started work in December 2015.
The platform has been given the task by DG Energy to analyse whether the
energy sector is sufficiently covered by existing legislation or if there is a
need for more action to achieve an effective cyber security.
In a report published by the EE CSP, the group advises to, at a first instance,
identify operators of essential services for the energy sector at EU level.
This shall be supplemented by a structured risk analysis and risk treatment plan
specific for the highly interdependent European energy sector. Finally, it may
be completed by the establishment of two parallel frameworks: one that
aims to establish acceptable and efficient governance, at the heart of which
is regional cooperation on cyber security topics and the other, to allow the
controlled and secure disclosure of vulnerabilities and incidents affecting
the energy sector in its crucial role which helps to meet the need for effective
communication.

Source: European Commission

DATA PROTECTION

Commissioner Jourová hails
EU Data Protection rules in
Washington

At the end of the month, Vera Jourová, Commissioner for Justice, held a
speech at the Center for Strategic and International Studies in Washington
on the topics of transatlantic data flows and the protection of personal data.
In her introductory remarks, the Commissioner reminded the participants
that the “European Union and the United States are united in their resolve
to defend our free societies against crime and terrorism. This is why our
transatlantic dialogue on these issues is so important.”
One of the achievements in the EU-U.S. relations the Commissioner
is most proud of, is the Umbrella Agreement on protecting personal information exchanged as part of law enforcement cooperation: “The Umbrella Agreement, which came into force on 1 February this year, is a big improvement compared to the past situation when our information exchanges were subject to fragmented and often weak protections which caused legal uncertainty and exposed them to legal challenges.”

She then switched to the issue of privacy and personal data protection, where she mentioned that the revised General Data Protection Regulation will come into force in 2018: “These are modern 21st century rules, adapted to the digital age. And we will swap the 28 different set of national laws with one single set of rules for Europe’s Digital Single Market. This is good for the protection of the individual and good for innovation and business across the EU, including for American companies doing business in Europe.”

Allegedly, Commissioner Jourova would have warned the Trump administration that the European Union would withdraw from Umbrella Agreement if the Trump administration would not ensure the privacy of European data.

Source: European Commission

AI & ROBOTICS

Taxing the robots?

Following to the European Parliament’s endorsement of its own-initiative report on civil law rules on robotics last month, various stakeholders started wondering to which extent robots could boost inequality. The report itself already acknowledges this aspect in that it calls “to introduce corporate reporting requirements on the extent and proportion of the contribution of robotics and AI to the economic results of a company for the purpose of taxation and social security contributions”, yet now prominent stakeholders, like Professor Robert Shiller (Yale University), find there is a need to reflect on taxing robotics.

Professor Shiller says: “If these and other labor-displacing innovations succeed, surely calls to tax them will grow more frequent, owing to the human problems that arise when people lose their jobs – often jobs with which they closely identify, and for which they may have spent years preparing. […] A tax on robots, its advocates hope, might slow down the process, at least temporarily, and provide revenues to finance adjustment, like retraining programs for displaced workers.”

He understood that critics of a robot tax have emphasized that the ambiguity of the term “robot” makes defining the tax base difficult. The critics also stress the new robotics’ enormous, undeniable benefits to productivity growth.

But the Professor finds that one should not rule out so quickly at least modest robot taxes during the transition to a different world of work. Such a tax should first and foremost be part of a broader plan to manage the consequences of the robotics revolution.

Source: Social Europe

NEXT-GENERATION INTERNET

Report on Next-Generation Internet available

The Commission organized an open consultation for the Next Generation Initiative (NGI) which was held between 10th November 2016 and 9th January 2017. A total of 449 people took part and provided their views both on technologies and values that are relevant for the Internet of the future.

The results of the consultation are mirrored in a report, which highlights that respondents found that the EU must continue to ensure that citizens maintain sovereignty over their own data. Secondly, participants also felt strongly that the Internet should ensure diversity, pluralism and a right to choose. Thirdly, the concentration of data in a few proprietary platforms is understood as a significant issue today.

From the proposed technology areas, Personal Data Spaces and Artificial Intelligence were the most important areas as recognised by researchers and the bulk of the other groups that took part in the consultation.

Source: European Commission