Recommendations to the Czech Republic’s Presidency of the Council of the European Union

The Czech Republic’s EU Presidency will lead negotiations on a range of proposals that will impact Europe’s economic recovery, digital transformation, transition to climate neutrality and competitiveness for years to come. The Computer & Communications Industry Association (CCIA Europe) respectfully offers the recommendations below and looks forward to supporting the upcoming Czech Council Presidency.

Work with like-minded partners to advance shared interests

The EU-U.S. Trade and Technology Council (TTC) is a promising forum to ensure frictionless transatlantic trade based on common principles when addressing new technologies, such as the principles of non-discrimination, due process, and mutual consultation. The TTC should become a forum for the EU and U.S. to strengthen their common approach to technology and trade issues, while at the same time also helping to avoid initiatives that could undermine this common approach. Furthermore, the Council should make concrete recommendations to remove global barriers to digital trade and the telecommunications services that underpin it. This should include accelerating progress in multilateral and plurilateral forums like the WTO’s Joint Statement Initiative negotiations on e-commerce.

Safeguard net neutrality

EU net neutrality rules ensure that consumers and businesses can access the content and services of their choice in a non-discriminatory manner. However, a recent proposal from European telecom operators might change this. It might also mean that online services would have to negotiate permission from every single access provider in the EU in order to reach European customers. Any new initiative must not undermine EU net neutrality principles, or impact on the way data is transmitted across the Internet.

Ensure safe international data flows

Commercial data flows underpin Europe’s commerce and economic activities around the world. To that end, the EU should promote safe international data flows, while avoiding the creation of new barriers. CCIA Europe strongly supports a strong and durable Trans-Atlantic Data Privacy Framework. Where there are legitimate concerns over government data access, the EU should seek convergence with like-minded international partners, including through a transatlantic agreement on law enforcement access to electronic evidence and common OECD principles on government data access.
Keep cloud market access open and non-discriminatory

A thriving data-driven economy builds on a competitive market for cloud-computing services. Any disproportionate requirements, such as data localisation or the exclusion of cloud service providers subject to foreign laws, would steer Europe towards digital isolationism and reduce cloud competition in the EU. Conversely, maintaining openness vis-a-vis like-minded trade partners will strengthen the resilience, scalability and success of European technologies in the EU Single Market and beyond.

Support proportionate data sharing rules conducive to innovation

The Data Act should provide meaningful incentives to increase supply and demand for data in Europe. Undue restrictions such as new data transfer restrictions, mandatory data-sharing conditions, and rules conflicting with other EU laws such as GDPR and DMA risk hampering the EU’s aspiration to become a global leader in the data-driven economy. Instead the Data Act — as well as subsequent sector-specific proposals on data sharing — should remain technology-neutral and non-discriminatory, while also respecting trade secrets, contractual freedom, and the protection of personal data and security.

Maintain a risk-based approach to Artificial Intelligence

Artificial Intelligence (AI) can help solve many of Europe’s major challenges, such as addressing climate change and making transportation safer. CCIA Europe welcomes the risk-based and targeted approach in the proposed EU AI Act. We believe the proposal can be further improved through clearer definitions as well as more narrow bans and classifications of ‘high-risk’ AI systems based on clear methodology. Finally, the proposed distribution of responsibilities across the AI value chain requires a better balance between providers and other actors, such as users.

Protect Children and Users’ Privacy

CCIA Europe is unreservedly committed to fight against child sexual abuse online. The European Commission’s proposal should enable a stronger and properly balanced EU harmonisation that would provide greater legal clarity and reduce the growing compliance burden stemming from divergent Member State initiatives. While preventing the spread of child sexual abuse material, the rules should respect the ban on general monitoring and support secure end-to-end encryption for communications services. We also encourage the Council to ensure consistency with the broader legislative framework e.g., the Digital Services Act.

Develop clear rules for everyone involved in political advertising

CCIA Europe supports the overall goal of creating a modern EU-wide framework that provides more transparency in political advertising, safeguarding election integrity and freedom of expression. Citizens must be able to exercise their democratic rights in an informed manner. However, lawmakers should clarify the definitions of the terms “political advertising” and “political actors”, recognise the role of advertisers and assign responsibilities accordingly, and clarify data access obligations.
Strengthen consumer protection without holding back e-commerce

The proposal for the new EU General Product Safety Regulation seeks to update existing rules to increase consumer protection against dangerous goods. New obligations specifically for online marketplaces should take the intermediary and limited role of marketplaces into account, while acknowledging their existing efforts, through the EU Product Safety Pledge for instance. These new obligations must align with the Digital Services Act. A risk-based and more proportionate approach is necessary to ensure that the new rules will be effective and workable for all those SMEs that use online marketplaces to reach European consumers.

Adapt social and working policies to changing world of work

CCIA Europe encourages policymakers to promote regulatory approaches that create the right conditions for good quality, flexible, independent work by allowing platforms to provide insurances and protections in order to improve working conditions, whilst ensuring the flexibility of the model that is highly valued by individuals. Policymakers should also take care to avoid capturing the genuinely self-employed when proposing measures to combat bogus self-employment. This will support Europe’s economic recovery by creating job and growth opportunities, while preserving the flexibility that platform workers have grown to appreciate.

Foster smart and sustainable digital mobility reforms

Digital mobility services are developing across the EU with the potential to tackle traffic congestion and pollution in the near future, and helping deliver the EU target to become carbon-neutral by 2050. We encourage progressive reform on ride-hailing services across the EU, in line with the European Commission’s guidance on regulating taxis and private hire vehicles, similar to the Czech Republic’s own reform.

Guarantee a workable Digital Services Act

EU negotiators reached a provisional political agreement on the Digital Services Act (DSA) in April. CCIA Europe appreciates efforts made to create a better functioning EU digital single market, provide clarity on everyone’s responsibilities, and safeguard online rights. We recognise policymakers’ hard work to reach this landmark agreement. Nevertheless, a number of important details still remain to be clarified. We hope that the final legislation will allow all companies, both large and small, to comply with the rules in practice, enabling Europeans to continue to enjoy the many benefits of digital services.

Ensure effective enforcement of the Digital Markets Act

Compliance with the Digital Markets Act (DMA) demands far-reaching and structural changes to the way digital services are designed and delivered in Europe. These obligations must be applied in diverse and evolving market circumstances. The European Commission should thus have sufficient resources to engage in a meaningful regulatory dialogue to clarify any implementation ambiguities and ensure that targeted companies have a fair chance to comply. The Commission should also be encouraged to issue guidance for emerging platform companies so they can adapt their European services and business models with sufficient lead time.
Promote an environment-friendly digital transformation

We support the EU’s ambition to reach climate neutrality by 2050. Digital technologies will play an important role in helping the EU achieve this climate goal. Smart and sustainable mobility services, for instance, can help to optimise traffic flows, which in turn will reduce both congestion and pollution. In addition, the correct usage of public data can guide electrification decisions with regard to the roll-out of charging infrastructure for example. The tech industry also remains firmly committed to speeding up the green transformation of its own sector.

Protect user communications and device information without hurting innovation

The EU’s e-Privacy Regulation should ensure meaningful privacy protection and confidentiality of communications, while leaving enough room for the development and use of secure and innovative digital services in Europe, including those based on AI. CCIA Europe strongly believes that a context- and risk-based approach can ensure appropriate privacy protections, while living up to Europe’s digital ambitions for the future.

Promote open, innovative and instant pan-European payments for merchants and consumers

The Commission’s review of the Revised Payment Services Directive (PSD2) and its plans for a legislative proposal on instant payments, mark a critical moment to upgrade Europe’s payments infrastructure, with the aim of ensuring that Europe has a payments policy framework that supports the needs of merchants and citizens alike. The Commission should use these initiatives to double down on its goals of enhancing efficiency, transparency and choice of payment instruments. This will help realise a truly Single Market for pan-European instant payments and support innovative payment services to reach a bigger market. In turn, these developments will create the right environment for continued innovation in, and modernisation of, European payment systems for the benefit of European merchants and citizens.

Target truly distortive foreign subsidies and avoid halting legitimate investments

The Foreign Subsidies Tool will add substantial red tape for both European and non-EU companies that receive any kind of financial contributions abroad in order to do business in the EU. For example, all EU and non-EU companies with foreign financial contributions would be obligated to identify, validate, and disclose subsidies their main suppliers and subcontractors receive as a prerequisite to participate in EU procurement. The new rules should be balanced and proportionate by, amongst others, focusing on the most distortive subsidies that harm the EU and reducing unworkable compliance obligations to ensure Europe can continue to attract legitimate investment.

Lead efforts to implement global tax reform and replace unilateral measures

CCIA Europe has been a long-time supporter of the OECD/G20-led global tax reform. Europe should lead efforts towards a coordinated and consistent implementation of this global agreement that supersedes competing unilateral tax measures. Its technical implementation should be profit-based, administrable, and respect the US ‘global intangible low-taxed income’ regime. The EU should refrain from introducing any new, discriminatory infrastructures levy or internet tax to avoid derrailing global tax refom.

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