

ISOC EUROPEAN REGIONAL BUREAU - EU issues overview 21-27 September 2013

Net neutrality

EU: Telecom package criticised by the Parliament and Commission's own audit board

- **Proposed Regulation** designed to build a single EU market for telecommunications, including provisions on net neutrality, is **unlikely to be adopted before the elections** to the European Parliament (22-25 May 2014), following internal sources.
- Several MEPs have criticised the Commission for tabling the proposal so close to the end of the Parliamentary term. A Lithuanian official, whose country currently holds the rotating EU Presidency, admitted that EU Member States are likely to require an **appropriate amount of time for the examination** of the proposal.
- On 24 and 25 October the European Council is expected to provide guidance for the discussions on the proposal. The **Parliament's Industry Committee** will hold a hearing on 5 November to discuss the Commission's impact assessment.
- According to the Commission's internal **Impact Assessment Board**, the Commission has failed to properly assess the impact of the proposal on the telecommunication industry. The Board underlined that more precise estimates on the costs to implement the new requirements, e.g. wrt stricter consumer-protection rules, should have been provided. This **internal criticism** is likely to further complicate the adoption of the proposal.
- Based on the **record of Commission's discussions**, the College itself was divided on the provisions on net neutrality. Digital Agenda **Commissioner Kroes** underlined that, as several Member States are now moving to legislate on net neutrality, the Commission should set the framework for the net neutrality debate.

Copyright infringement

Spain: Administrators of download-access sites may face jail charges

- Spain will introduce **prison sentences for owners of sites** that link to illegal versions of copyrighted material, thus extending the provisions on copyright infringement that currently apply only to people who "reproduce, plagiarise, distribute or pass on" copyrighted material. Sites providing links to second-party providers of content have previously been immune from prosecution.
- The new legislation will include prison terms of up to six years for the offence, and will allow for the **removal of protected material** and the **closure of websites**. The legislation is expected to come into effect in early 2014.
- Spain has been under pressure from US authorities, as the country was placed on an **Internet piracy blacklist** in 2008 due to high number of illegal downloads perpetrated in the country.

UK: MPs request tougher penalties for online piracy

- The recently published **report** of the UK House of Commons Culture Media and Sport Committee has called for the **UK Government to adopt a tougher stance** towards **copyright infringements**.
- MPs of the Committee have criticised the proposed review of intellectual property (undertook in 2011 by a specialist from Cardiff University) arguing that **exempting individuals from prosecution** for certain copying activity is **not justified**. The proposed rules would legalise the copying of films for personal use. The recommendations come as a surprise, as it was expected that the exemptions become law next year, argued the *Financial Times*.

Cloud computing

EU: Ministers may back EU cloud computing capacities

- EU Member State representatives, who will meet for the General Affairs Council on 30 September, are said to be considering backing the **building of EU cloud computing capacities**. The Minister who will draft conclusions for the upcoming European summit devoted to the digital economy (24-25 October) may back the French proposal to develop European cloud services with grants from the **Horizon 2020 programme**, some sources reported.

Comment: Unsurprisingly, calls for EU cloud computing capacities have multiplied after the revelations of the US spying programme.

Open Internet

Stakeholders denounce Russia's Internet black list law

- The **online freedom observers** have denounced the recent decisions on Internet blocking by the Russian telecoms watchdog Roskomnadzor, fearing that the **authority is intensifying its pressure on digital companies**.
- This week, Roskomnadzor confirmed that **Facebook** has been provisionally put on a list of banned Internet sites and has been asked to remove controversial content following complaints about ads for illegal products. On 20 September 2013, the watchdog added **Vkontakte**, Russia's largest social network, to the [blacklist](#), apparently by mistake.
- According to EDRI, [99% of sites currently blocked in Russia](#) are illegally being subjected to blocking. At the moment, in quantitative terms, it's more than 30,000 sites, but decisions under the law have only been issued against 450 of them.

General

France proposes taxing data transfers from the EU

- At a recent **meeting of seven EU telecommunications ministers** in Paris, the French Government tabled measures designed to encourage the growth and innovation of the sector. One of the measures proposes to impose an **EU Internet tax for data transfers outside the EU**. The proposal mainly aims at addressing the **loopholes** allowing web multinationals to minimise their business tax payments in Europe.
- The proposal is perceived as being highly controversial as levying additional taxes exclusively on Internet companies would restrict growth, argued the **UK's business ambassador for digital industries** Joanna Shields.
- The ambassador also warned the European politicians against adopting measures hampering the development of the Internet economy. Instead, European governments should **concentrate on promoting policies** that support **digital innovations and skills**.