

H.E. Jüri Ratas,
Prime Minister
Government of the Republic of Estonia

H.E. Donald Tusk
President of the European Council

Re: Steering the European Digital Single Market proposals towards success

Dear Prime Minister, Dear President,

Our Associations, which represent the tech and telecoms industry as well as start-ups, welcome the upcoming Tallinn Digital Summit. This is a crucial moment for Europe's heads of state and government to discuss how Europe can fully embrace digital transformation, which is expected to contribute over €1 trillion to Europe's GDP by 2020.

At the same time, we urge the European institutions to use this occasion to re-evaluate the current direction of the EU Digital Single Market legislative debate and compare it with its original objectives. We worry that many of the proposals currently under negotiation are drifting off-course, endangering Europe's digital economy and its global leadership. Europe will only achieve a thriving Digital Single Market if new EU legislation will promote rather than hamper digitisation, create one single legal framework rather than 28 and favour market-led, bottom-up innovative solutions as opposed to top-down overregulation.

We specifically suggest that current and future EU regulatory actions remain compatible with the following fundamental objectives:

Boost connectivity

Boosting infrastructure deployment for best-in-class connectivity throughout the Continent is crucial to strengthening European competitiveness and to increasing citizens' welfare. This requires a dramatic increase in investment, which depends on the approval of investment-conducive rules. For this reason, regulation needs to ensure fair and sustainable competition while making sure that investment incentives are in place to achieve the Gigabit Society. This requires ambitious rulemaking on spectrum as well as fixed connectivity. The European Electronic Communications Code should simplify the current complex regulatory system, ensure greater predictability and increased consistency in spectrum licensing, remove unnecessary regulation, and ensure that all investment models contribute to Europe's digital transformation.

Create room for innovation

The development of innovative products and services requires space for experimentation. The rapidly developing technology and telecoms sectors should be regulated only when there is evidence of market failures. The EU should avoid national rules that prevent European start-ups from scaling up. This includes removal of unjustified data localisation rules in order to enable cross-border data flows in the EU and a light touch approach to Europe's emerging data economy. Such pro-innovation approach should also include the preservation of the country of origin principle in the audiovisual media services directive, a key principle in a Digital Single Market.

Ensure trust in our flourishing data economy

User trust is a prerequisite for the digital transformation. Citizens and companies should be able to rely on clear, simple and consistent rules. The industry is committed to the implementation of the General Data Protection Regulation (GDPR) and the Directive on Security of Network and Information Systems (NIS). We also welcome the recently unveiled EU Cybersecurity Strategy, which reiterates the importance of risk management. Better Member States coordination, public awareness and flexible market-driven solutions are key to advance security and trust.

We urge, however, that the well-intended e-Privacy proposal is reconsidered. In light of major inconsistencies with the GDPR, the new e-Privacy risks leading to consumer confusion and harming Europe's global competitiveness due to overregulation.

Moreover, we call to maintain the existing intermediary liability regime, in line with the e-Commerce Directive. The mandated filtering obligations, currently discussed in the context of the Copyright proposal, must not constitute a disproportionate burden on companies, should be consistent with the overall EU regulatory framework and with the European Charter of Human Rights, and user rights needs to be ensured.

We remain committed to achieving a prosperous European digital single market. We thank you for considering these recommendations and wish you a successful Digital Summit in Tallinn.

Yours sincerely,

Matthias Kurth

Executive Chairman, Cable Europe



Christian Borggreen

Vice President, Computer & Communications Industry Association (CCIA Europe)



Cecilia Bonefeld-Dahl

Director General, DIGITALEUROPE



Lise Fuhr

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Vice President Europe, GSMA



Lenard Koschwitz

Director European Affairs, Allied for Startups



Brussels, 25 September 2017