

Committee on Industry, Research and Energy
The Chair

315206 01.10.2014

ACCES RESERVE

CONFIDENTIAL

Jerzy Buzek
Chairman
Conference of Committee Chairs
European Parliament

Brussels,

Ref.: D (2014) 43938
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Dear Chairman,

In accordance with Rule 118 of the Rules of Procedure of the European Parliament, the Committee on Industry, Research and Energy (ITRE), and the Committee on Culture and Education (CULT)¹ held a public hearing on Monday, 29 September 2014 with Mr Oettinger, Commissioner-designate, who, subject to the positive outcome of the nomination procedure, will be responsible for Digital Economy and Society.

Prior to the hearing, Parliament had sent the Commissioner-designate a list of written questions to which he replied on 26 September 2014.

Mr Oettinger opened the hearing by making a statement in which he referred to the following:

1. His commitment to constructive dialogue with Parliament, in particular involving Parliament early on in legislative procedures.
2. The need for the EU to shape the debate around the digital revolution that affects all parts of the economy and society.
3. His focus firstly on rolling out broadband and other key infrastructures for the digital world; and secondly on making proposals, within the coming six months, for completing the digital single market.
4. The need for a vibrant and creative EU contents industry, noting that culture was a job-creating sector, and the need for a balanced policy approach to both digital infrastructure providers and digital content providers.

¹ The following committees were associated: the Committee on the Internal Market and Consumer Protection (IMCO), the Committee on Legal Affairs (JURI), and the Committee on Civil Liberties, Justice and Home Affairs (LIBE).

5. The importance of research funding for promoting innovation and retaining the EU's global competitive edge, and of the role of ICT in education and training.
6. His support for an early adoption of the Network and Information Security Directive and, more generally, the importance of internet security for a successful digital single market.
7. His commitment to strengthening the multi-stakeholder approach in relation to internet governance.

ITRE Committee evaluation

With regard to issues falling within the remit of the ITRE Committee, Mr Oettinger answered questions and made commitments on the following subjects:

1. Telecoms Single Market proposal: he supported swift progress on the file, called on the Council to advance discussions and expected conclusion of the file early in 2015, indicating that there would be no new Commission position on the file. On roaming he believed that roaming charges should be abolished and that it was important to convince reluctant national governments that this was necessary.
2. Net neutrality: He gave his support to the net neutrality-related provisions of the Commission's Telecoms Single Market proposal, although he had sympathy for the Parliament's amendments. The principle of net neutrality could, in his opinion, be derogated from only for reasons of public interest, but not for commercial interests. Some Members called for stronger guarantees from the Commissioner-designate on net neutrality.
3. Review of telecoms regulatory framework: Clear long-term rules that could be relied upon were needed in the telecoms sector. Once completed, a telecoms single market should, in his view, have a single European telecoms regulator, but in the meantime close cooperation was needed through BEREC between national regulators.
4. Investment in ICT infrastructure: He placed significant emphasis on the need for investment and, in particular, the need to create the right environment for private investment. Where private investment was not available, for example for deployment of broadband in rural areas, then public-private financing needed to be used. Investment in ICT research was also very important and he drew attention to the need to make the best possible use of increased research funding under Horizon 2020. Investment in digital start-ups was also essential. Some Members called for stronger guarantees on investment in infrastructure and some Members stressed the need for infrastructure investment to be aimed at achieving infrastructure that is of a high quality.
5. Cybersecurity: He stressed the importance of network security and trust in online services, including for cloud computing, so that consumers and businesses could benefit fully from the digital economy. Some Members stressed that trust in cloud computing required high and harmonised security measures, such as encryption.

6. General approach to digital economy and society: he emphasised the cost-saving and societal advantages of creating a digital single market, in particular because of the impact of digital technologies on all sectors of the economy; he considered that Europe needed start-ups and SMEs in the digital industry, but also several larger players to remain globally competitive; he considered it important not to burden the digital industry, especially SMEs, with too much regulation.

CULT Committee evaluation

With regard to issues falling within the remit of the CULT Committee, Mr Oettinger answered questions and made commitments on the following subjects:

1. Balance between cultural and economic interests with regard to the revision of copyright law at EU level: Acknowledged the dual nature of culture; emphasised the necessity to find the right balance between remuneration of authors and access of citizens to culture and in particular to educational resources.
2. Safeguarding of net neutrality: Highlighted the importance to guarantee net neutrality to preserve cultural diversity and pluralism although remained vague as to the specific definition of specialised services based on public interest.
3. Culture as more than an economic and monetary asset: Agreed that culture extended beyond purely commercial value, emphasising this point with regard to the exclusion of culture from the negotiating mandate for the TTIP.
4. Obstacles to the access of cultural goods and services online: Acknowledged the need to establish policies which can meet both the challenges and the opportunities brought by the digital era, protecting creators whilst also ensuring access to cultural and creative content online.
5. Promotion of cultural diversity and pluralism by online service providers as well as other network operators: Acknowledged the need to adapt current policies to the digital era.
6. European films and linguistic diversity: Emphasised the necessity of protecting and supporting cultural and linguistic diversity in this respect, in particular through film festivals and prizes; reiterated that establishing a digital single market would not lead to cultural and linguistic harmonisation. Highlighted the importance of the dual system specific to television, whilst preserving the funding of public broadcasting, which is not to be considered as state aid; underlined the need to explore alternative sources of financing for the audiovisual sector at EU level.
7. Promoting digital skills: Affirmed the importance of children acquiring digital skills at an early age, regardless of their home environment or their place of residence.

8. Reform of audiovisual media services with enhanced democratic participation: Pointed to existing democratic measures including live streaming of institutional debates and the right of citizens to participate in public consultations.
9. Right to be forgotten: Expressed his support for the principle, considering it a fundamental right for citizens.

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Before the end of the hearing, the Commissioner-designate made a brief closing statement in which he reaffirmed that it was important to Europeanise the digital economy for the EU to remain globally competitive.

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IMCO Committee opinion

The Commissioner-designate was engaging and answered questions generally in a very competent and convincing manner, making commitments: to develop ambitious legislative steps towards a connected digital single market, with a main focus on breaking down national silos and setting up a truly European framework; to support digital re-industrialisation by faster integration of digital innovations in all types of products, processes and services; to modernise consumer rules, ensuring consumers are equally well protected online and offline; to increase security and protection from cyber-threats; to make full use of digital technologies to drive public sector modernisation and take-up of electronic ID and trust services.

Nonetheless, the IMCO Committee is keen on seeing the Commissioner-designate follow the new structure of cooperation within the new Commission. In the area of consumer protection it urges him to further engage not only with the modernisation but also to strengthen the rights of the consumer in the digital era (data protection, net neutrality, confidence in the security of online services). The IMCO Committee expects him to defend the positions of Parliament in the area of the internal market and consumer protection.

JURI Committee opinion

The JURI Committee, associated committee when it comes to its responsibility under Annex VI of the Rules of Procedure for Intellectual Property Law, made the following remarks concerning the Commissioner-designate's aptitude when it comes to copyright. The Commissioner-designate showed an understanding of the main questions and problems involved in adapting copyright to the digital society and correctly underlined copyright reform as one of the main legislative challenges for the incoming Commission. He also acknowledged the role of Parliament in preparing for this reform, underlining the importance of receiving the widest possible input from stakeholders, not least civil society, with the goal of striking the right balance between cultural and economic interests. While the Commissioner-designate merely touched upon some of the finer points of copyright reform, such as mandatory and fair-use exceptions, and did not address the questions of private copy or a pan-European copyright title, the overall evaluation is that he showed himself suited for handling the copyright dossier in the incoming Commission.

LIBE Committee opinion

The Commissioner-designate has shown his aptitude to be confirmed as a member of the College of Commissioners and to carry out his duties. The LIBE Committee asks for a stronger focus on data protection, media freedom and the related fundamental rights aspects. The LIBE Committee therefore considers it necessary for the Commissioner to work very closely with the Commissioner for Justice, the Vice-President for the Digital Single Market and the First Vice-President for Fundamental Rights to ensure that, in particular, data protection is fully embedded in his policy remit. Mr Oettinger is invited to report back directly to the LIBE Committee on these matters.

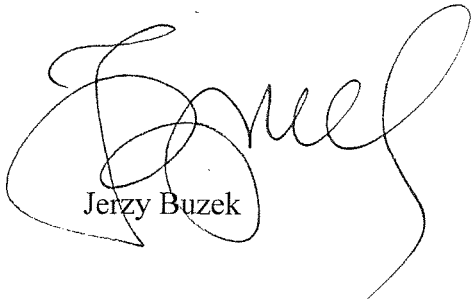
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On the basis of the written answers and the responses of the Members present at the hearing, as well as the comments made by our committees' coordinators, who met after the hearing under our chairmanship, we hereby state the following:

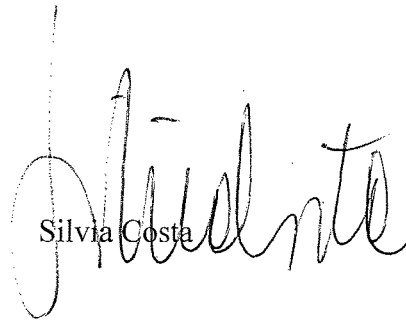
The ITRE and CULT Coordinators concluded by consensus, with the exception of the EFDD group, that Mr Oettinger is qualified both to be a member of the College of Commissioners and to carry out the specific tasks assigned to him. However, in the Coordinators' meeting, the GUE/NGL group raised serious concerns about the Commissioner-designate's political views.

We would be grateful if you could bring this assessment to the attention of the Conference of Presidents.

Yours sincerely,



Jerzy Buzek



Silvia Costa