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## COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

The Chairman

21.JAN2010 200299

ACCES RESERVE

CONFIDENTIAL

Jerzy Buzek  
President  
EUROPEAN PARLIAMENT

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Dear Mr. President,

In accordance with Rule 106 of the Rules of Procedure of the European Parliament, the Committee on Industry, Research and Energy (ITRE), with the Committee on Culture and Education (CULT) as associated Committee, held a public hearing on Thursday 14 January 2010 with Ms Neelie Kroes, Commissioner-designate, who, subject to the positive outcome of the nomination procedure, will be responsible for the Digital Agenda. Prior to the hearing Parliament had sent the Commissioner-designate a list of written questions, which received a satisfactory reply. The hearing was complemented by a further informal non-public meeting with Ms Kroes for clarification of a number of points, with the participation of representatives of ITRE and CULT and held on Tuesday 19 January 2010. Ms Kroes elaborated on certain issues in a letter of 18 January 2010, enclosed. The evaluation meeting was held on Wednesday 20 January 2010.

In her general remarks, Ms Kroes stressed the importance of Information and Communication Technologies (ICT) for growth and employment. She explained her intent to develop the Digital Agenda for EU ICT policy by focusing on (i) research and innovation; using pragmatic means to get the best possible result from the limited EU ICT research budget to leverage private and national spending, (ii) infrastructure; enabling high-speed connectivity anytime, anywhere, (iii) trust and security; including protection of privacy, (iv) access and skills; enabling ICT to be used by all, (v) interoperability and open standards; including new ways of developing EU standards and (vi) the online Single Market; abolishing obstacles to a Europe-wide online market covering goods, services and content. In considering these areas, she would draw on the European Parliament's forthcoming 2015.eu report and take the views of industry and other stakeholders into account.

PE 432.448/CPG/LT 2

In response to Members' questions, Ms Kroes:

- Emphasized her commitment "to preserve the open and neutral character of the net", stating that operators should not be able to exercise control or limit users' access to any content for commercial reasons. Such limitations should only be allowed to, for example, ensure network security and combat spam. She also underlined the importance of safeguarding freedom of expression and fundamental rights. She stated that EU law should not be compromised by any international agreement such as ACTA. Ms Kroes proposed a Summit on the Open Internet, to enable a balanced discussion of all issues and assist the Commission in preparing its net neutrality policy in 2010. She confirmed her commitment to interoperable software and open standards, mentioning the possibility of a legislative proposal.
- Saw a need for careful consideration and involvement by all stakeholders on copyright issues in order to achieve balanced solutions, taking into account the need for reform of the copyright acquis, for consumer access to content and for protection of creators.
- Underlined the importance of deployment of next generation networks from both an industry and a social perspective, in the latter respect for example regarding rural areas, elderly persons and youth, and relating to services such as eHealth and eGovernment. She believed that in particular SME access and use of next generation networks could be expected to contribute to innovation and job creation, helping to accelerate Europe out of the economic crisis. Roll-out is facilitated by the state aid guidelines with respect to rural and remote areas, but more is needed. Both incumbents and challengers need to find investment business models enabling economic returns commensurate to the risks involved. In order to provide legal certainty, she would conduct further consultations with all parts of industry with a view to finalizing the NGA Recommendation by the summer of 2010.
- Would monitor implementation of the Telecoms Package closely and would neither hesitate to take enforcement action where necessary against those who breach or ignore EU law, nor to make new legislative proposals to address any deficiencies that may be identified.
- Mentioned in particular the opportunities for new services and increased competition offered by release of spectrum through the digital dividend, while stressing the need for spectrum policy to be closely coordinated across the EU. The Spectrum Summit provides an important venue to address these issues, to overcome hesitancy on the part of certain Member States, and to prepare a draft Multiannual Programme in consultation with Parliament.
- Considered protection of privacy and network security as fundamentally important for citizens, also for the take up of internet services. The role and independence of ENISA should be strengthened, but the time might not be ripe for an EU cybersecurity coordinator.
- Maintained the view that the need for possible additional legislation on roaming should be examined in light of the reviews required under the existing regulations. Operators need to understand the shared and firm commitment by Parliament and the Commission to bring about a borderless mobile market for voice and data. If there is a need, preparation for a revision of the regulation should be initiated before 2012.
- Affirmed her intent to abolish barriers to a single online market and to stimulate media pluralism, involving both public service broadcasters and private parties, and EU-wide distribution and availability of a broad offering of content, mentioning also the need for adequate funding of the Europeana project.
- Emphasized that, if confirmed as Commissioner, she would work closely together with the Commissioners responsible for areas related to the Digital Agenda, including with respect to

privacy, intellectual property rights, health, transport and energy, in order to ensure an effective approach.

Ms Kroes furthermore spoke about the central role of the European Parliament in shaping EU communications policy, such as with respect to the telecommunications framework and the roaming regulations, and emphasized her intent to work closely with the European Parliament on all issues relating to the Digital Agenda.

On the basis of the hearing, as well as the further discussion between the ITRE coordinators and a representative of CULT with Ms Kroes, the following assessment was arrived at:

Ms Kroes' has shown her integrity, independence, experience, European commitment and professional aptitude in general for the position of a member of the European Commission, as also demonstrated by her record as former Commissioner for Competition.

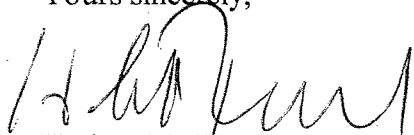
As referred to above, following the formal hearing some Groups were concerned about Ms Kroes' understanding and vision with respect to several topics of her portfolio, and therefore needed clarifications on a number of points raised. The further, informal, meeting provided Members with reassurance regarding her aptitude for the portfolio.

Members also welcomed her more clearly expressed understanding of the central role of the European Parliament in shaping EU communications policy, such as with respect to the telecommunications framework and the roaming regulations, and her intent to work closely with the European Parliament on all issues relating to the Digital Agenda.

CULT added that it will pay particular attention to ensure that regulatory provisions in the portfolio assigned to the Commissioner-designate fully reflect both the provisions of the UNESCO Convention on the protection and promotion of the diversity of cultural expressions and the Union's support for cultural diversity and media pluralism.

In conclusion, ITRE considered that the Commissioner-designate gave a satisfactory impression of her aptitude to be a member of the College of Commissioners and of her possession of the necessary personal and professional skills, as well as political determination, to carry out the specific tasks assigned to her.

Yours sincerely,



Herbert REUL

**NEELIE KROES**

MEMBER OF THE EUROPEAN COMMISSION

Brussels, 18 January 2010

*Letter to the attention of the Chairpersons of the ITRE and CULT Committee and of the ITRE Coordinators*

*Dear Herbert,*

Following my hearing last Thursday, I would like to further underline my personal commitment to the Digital Agenda portfolio and my strong commitment to working in partnership with the European Parliament and with your Committees in particular.

There are many differences with my current portfolio, and that is also part of the attraction of this new portfolio. During the past five years, I have established a proven track record of advancing consumer interests and of improving the functioning of markets. That experience will be valuable and directly relevant to the Digital Agenda, but I relish the prospect of also engaging directly with society and with citizens, and of directly guiding public investment in research and innovation for our knowledge industries. I value your advice and your support in making that transition.

We have already experienced the liberating effect of the mobile telecoms revolution. With appropriate regulation, the internet is the most open medium of human expression yet imagined. It should complement and not threaten existing print and broadcast media. The online market of goods and services can also be a forum for ideas, discussion and creation, a new engine of pluralism and cultural diversity and a support for our European democracy which should be accessible to all. I believe that the Digital Agenda will only be legitimate if it serves these social and cultural as well as economic objectives.

Regarding my relationship with you, I should mention that this portfolio has an enormous footprint. As co-legislators and representatives of the European people, you are the foremost partners in taking forward this agenda. But clearly in many areas of central importance to the Digital Agenda, such as copyright, data protection and research policy, I will need to work in partnership with other Commissioners whose portfolios include primary responsibility for

these policies. In such areas, I cannot pre-empt the views of Parliament and Commission colleagues.

Let me be clear how I want to work with you in future. We have a range of shared objectives, from ensuring the roll-out of high-speed secure networks to increasing the involvement of SMEs in a focused research policy, from ensuring a durable reduction in roaming costs to the development and exploitation of ICTs to make our economy and our society more sustainable. I have observed, for example, how the European Parliament strengthened the Telecoms package, and am keen to receive your contribution on the Digital Agenda before presenting a proposal to my colleagues in the College. I would like to reassure you that I intend to consult you up-stream before launching major initiatives – not just legislative proposals, but also policy debates and self-regulatory discussions with industry and other stakeholders – as well as to de-brief you frequently on major developments and ongoing negotiations.

For example, I think that the Spectrum Summit is a model for our future action together. Not only do I want to bring an issues paper to help the preparations of the summit, and only afterwards bring forward a draft Multiannual Programme. I would advocate that we also hold a separate Summit on the Open Internet, to prepare the Commission's policy on Net Neutrality later in 2010.

The Digital Agenda is ultimately an agenda for people – be it securing the position of artists and authors in an online creative economy, creating jobs for our youth in new knowledge industries, empowering the elderly and the disabled to live more active lives or bringing public services closer to citizens. I am 100 % committed to the full involvement of the European Parliament, as the people's representatives, with the concrete steps to achieve that agenda. I should have been more proactive in communicating this throughout the hearing.

Best regards  
Neele