

## **Digital Single Market (DSM) JCCCNr-r-47**

Briefing for the Chair of the Joint Committee on Communications, Climate Change and Natural Resources, on the occasion of the visit of European Commission Vice President, Andrus Ansip, 8 September 2016.

**The Department of Communications, Climate Action and Environment is the lead Department on five out of 16 key actions identified by the European Commission under the EU Digital Single Market strategy. The current state of play on each of these five initiatives is set out below.**

### **Action 3: Measures in the area of Parcel Delivery**

On May 25 2016, the European Commission presented a broad and comprehensive package of e-Commerce measures through which it is aiming to achieve the rapid removal of barriers to cross-border online activity in Europe. This included a proposal for a Regulation on cross-border parcel delivery services.

When the current European regulatory framework for postal services, Directive 97/67/EC, was established, its focus was primarily letter post, and most parcel delivery services were outside the scope of the universal service. In the intervening period letters now account for less than half the European postal sector's revenues.

In concrete terms the parcel delivery proposal seeks to:

- Enhance transparency by publishing a selection of prices on a website and requiring NRAs to assess their affordability;
- Improve oversight by clarifying that all parcel delivery operators (above a certain size) are required to submit a basic set of statistical data to national regulatory authorities; and
- Encourage competition by requiring third party access to the cross-border networks and multilateral price agreements of national postal operators.

This is anticipated to make the regulatory oversight of the parcels markets more effective and consistent, and to encourage competition. Increasing the transparency of tariffs will reduce unjustifiable tariff differences and lower the tariffs paid by individuals and small businesses, especially in remote areas.

### ***Current Status:***

*The proposal is under active discussion at Working Party level in Brussels; articles 1 to 4 of the proposed regulation were discussed on July 18 2016, with the remaining articles (5 to 10) under discussion today (September 8 2016).*

## **Action 5: Review of the Satellite and Cable Directive**

On 4 May 2016, the European Commission published a full report on the public consultation on the review of the EU Satellite and Cable Directive. A consultation ran from 24 August – 16 Nov 2015, and focused on two main issues.

- i. Assessment of the current rules; and
- ii. The possibility of the extension of some principles to the online environment with the objective of contributing to the Digital Single Market Strategy.

The Report is divided into three main parts which correspond to the most significant innovations brought by the Directive:

1. The “country of origin” principle;
2. The management of retransmission rights; and
3. The mediation system and obligation to negotiate.

### ***Current status:***

*Awaiting proposals – expected mid September 2016.*

## **Action 9: Legislative proposals to reform the current telecoms rules**

### **A) Telecoms Framework Review**

The Telecoms Framework is the overarching legislative framework, under which all telecoms are regulated in EU Member States. The framework comprises five Directives and two Regulations and is a series of rules designed to encourage competition, improve the functioning of the market and guarantee basic user rights. The review of the telecoms framework is expected to be presented on 21 September 2016.

### ***Current Status:***

*Awaiting proposals – expected mid September 2016.*

### **B) Proposal for a Decision of the European Parliament and the Council on the use of the 470-790MHz frequency band in the Union**

The UHF band includes the frequencies from 470 to 790MHz, which are currently used by Digital Terrestrial Television (DTT)<sup>1</sup> and wireless microphones (PMSE)<sup>2</sup>. It has been traditionally used for

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<sup>1</sup> Following international agreement and EU policy, television services ceased operating in the ‘800 MHz’ band (790 – 862 MHz) as part of the ‘digital switchover’ process in 2012 and the spectrum was licensed to operators of 4G mobile telephony services. The allocation of the 800 MHz band to mobile telephony has reduced the overall amount of UHF spectrum available for terrestrial television broadcasting.

terrestrial broadcasting but, because of its propagation characteristics, it is also well suited for the provision of mobile broadband services, particularly in rural areas.

In 2013 former European Commissioner Pascal Lamy prepared a report recommending that the 700MHz band be given over to Mobile Wireless Broadband in 2020 (+/- 2 years), and in February 2015 the EU Radio Spectrum Policy Group (RSPG) adopted an Opinion supporting the use of the 700MHz band for wireless broadband, with TV broadcasting having continued access to the sub-700MHz spectrum.

The draft proposal presented at May Council represented a compromise text that met all of the major concerns expressed by Member States (including Ireland) during discussions. In this proposal, the European Commission seeks to achieve a harmonised release of the 694-790 MHz ('700 MHz') band across all member States.

**Current Status:**

*This Proposal is currently with the Industry, Research and Energy Committee (ITRE) of the European Parliament. The Slovak Presidency intends to conclude this legislative file before the end of the 2016.*

**Action 10: Review of the Audiovisual Media Services Directive**

The Audiovisual Media Services Directive (AVMSD) was adopted in 2010. Its primary purpose is to ensure the effective operation of the internal market for television broadcasting services throughout the EU.

In 2015, the European Commission held a public consultation on the AVMSD as part of a Regulatory Fitness and Performance (REFIT) process. The Commission has now published its proposal to amend the AVMSD. This proposal amends a number of key sections of the AVMSD, including those relating to jurisdiction and the promotion of European works. It also extends the scope of the Directive to include video-sharing platforms (VSPs) on a limited basis.

Some of the more pertinent changes are detailed as follows:

- The country of origin (COO) principle<sup>3</sup> is retained by this proposal. However, the procedures surrounding the principle have been amended or simplified.
- Video sharing platforms (VSPs) are brought under the scope of the AVMSD by this proposal and are obligated to put in place, by co-regulation, measures to protect minors from harmful content and all audiences from hate speech.

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<sup>2</sup> PMSE is the acronym for Programme Making and Special Events and basically refers to the use of wireless microphone systems at concerts and outdoor events which also use the sub-700 Mhz band.

<sup>3</sup> The 'country of origin' principle was established under the eCommerce Directive and, in the case of the AVMSD, means that audiovisual services are regulated in the jurisdiction where they originate and not the country that they target.

- The proposal reinforces the current rules regarding the promotion of European works by harmonising the provisions applicable to linear and on-demand services by levelling up those applied to on-demand services. MS may impose financial contributions on on-demand services in their jurisdictions and, in a break with the COO principle, in certain cases to those established in another MS but targeting their national audiences.
- The rules in terms of the protection of minors are aligned by levelling up the rules applied to on demand services to the standard applied to linear services.
- The hourly advertising limit for broadcasters is replaced with a daily limit of 20%, excluding transmission time for announcements by the broadcaster or its media group, between 7am and 11pm. Product placement is explicitly permitted, however, the rules regarding foods high in fat salt or sugar (HIFSS) and alcohol are to be reinforced.

**Current Status:**

*The proposal is currently being discussed at Council Working Group level and is likely to be discussed at the Education, Youth, Culture and Sports Council (EYCS) meeting on 21-22 October 2016. The Commission has indicated that it anticipates that negotiations will conclude in 2017.*

**Action 13: Establishment of a Cyber security contractual Public-Private Partnership**

The European Commission ran a public consultation from 18 December 2015 to 11 March 2016, consulting stakeholders on:

- The areas of work of the future cyber security contractual public-private partnership; and
- Potential additional policy measures that could stimulate the European cyber security industry.

As part of the EU cybersecurity strategy, the European Commission and the European Cyber Security Organisation (ECSO) signed a contractual Public-Private Partnership (cPPP) on 5 July 2016.

The aim of the partnership is to foster cooperation between public and private actors at early stages of the research and innovation process in order to allow people in Europe to access innovative and trustworthy European solutions (ICT products, services and software). These solutions take into consideration fundamental rights, such as the right for privacy.

It also aims to stimulate the cybersecurity industry, by helping align the demand and supply sectors to allow industry to elicit future requirements from end-users, as well as sectors that are important customers of cybersecurity solutions (e.g. energy, health, transport, finance).

The cPPP will be instrumental in structuring and coordinating digital security industrial resources in Europe. It will include a wide range of actors, from innovative SMEs to producers of components and equipment, critical infrastructure operators and research institutes, brought together under the umbrella of ECSO.

The EU will invest up to €450million in this partnership, under its research and innovation programme, Horizon 2020. Cybersecurity market players are expected to invest three times more.

***Current Status:***

- *Following on from the signing of the cPPP on July 5 2016, the first calls for proposal will be launched in Q1 2017.*

*Telecommunications Policy & Regulation Division  
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7 September 2016*