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Data protection

EU: Parliament backs reports on the proposed EU data protection package

- On 12 March, an overwhelming majority of **MEPs voted in favour of the proposed data protection Regulation**. The report, driven by the **European Parliament's Civil Liberties Committee**, reinforces some of the measures originally proposed by the European Commission. By voting in favour of the report, the **MEPs have inserted stronger safeguards for data transfers outside the EU; increased sanctions** to be imposed on companies breaking the rules; promoted **right to erasure**; limited **profiling** and reinforced **provisions on explicit consent**.
- With regards to **data transfers**, the rules backed by the Parliament require any company to **obtain prior authorisation of a national data protection authority** before disclosing any EU citizen's data to a third country. The company would also have to inform the person concerned about the request.
- Companies breaching data protection provisions would face **finest of up to €100 million** or up to **5% of their annual global turnover**. The Commission's original proposal tabled penalties of up to €1 million or 2% of the global annual turnover.
- The adopted text includes a **right to have personal data erased**, upon request. The data controller who deals with the request would also be required to **inform other controllers where the data in question is replicated**. In cases where data processing is based on **consent**, a company processing personal data will be able to do so only after obtaining **freely given, well-informed and explicit consent** of the data subject. The consent can be withdrawn at any time.
- **Commissioner Reding** highlighted that the Parliament's **vote marks an irreversible step towards the new EU data protection framework**.
- **ETNO** called the vote a key contribution to the **necessary completion of the EU data protection framework modernisation**. It especially underlined its **support for three key principles**: application of the rules to all EU and non-EU companies offering services to EU citizens (same service, same rules); strengthening of a risk-based approach; reduction of administrative burden imposed on businesses.
- In a separate vote, MEPs also backed the report by **MEP Dimitros Droutsas** (S&D, Greece) on the **data protection Directive in the law enforcement context**. The text was supported by 371 votes in favour, 276 were against and there were 30 abstentions.

Comment: As important as the Parliament's vote is, the text of the future law is far from definitive as the Parliament now needs to engage in negotiations with the Council. The Greek Presidency announced that it plans to steer the EU Member States to come up with a common position on the proposed data protection reform by the end of June. Considering the divergences between the Member States, especially with regards to the proposed one-stop shop principle, the compromised text is expected to diverge largely from Parliament's version voted on 12 March.

EU: Parliament adopts NSA surveillance report

- On 12 March, the **European Parliament** adopted an **inquiry report** on the US mass surveillance schemes that calls on the EU to suspend the so-called **Safe Harbour agreement** for transatlantic data transfers. The report is based on the results of **Parliament's Civil Liberties Committee investigation** launched in September 2013.
- The report sets out recommendations to **boost EU citizens' privacy**, a so-called **European Digital Habeas Corpus** that comprises seven priority actions, among which, a **swift adoption of the proposed data protection package** and development of a **European Strategy for IT independence**.
- In the resolution, the Parliament warned that it is not to give its consent to the final **Transatlantic Trade and Investment Partnership** (TTIP) unless it fully respects the EU fundamental rights.
- In order for Europe to ensure high level of data protection, the report called for the **creation of European clouds, IT solutions, including cybersecurity and encryption technologies**.

Cybersecurity

EU: Parliament passes cybersecurity legislation

- On 13 March, the European **Parliament's plenary backed** the assembly's **Internal Market Committee report** on the proposed **Network and Information Security Directive**.
- While the Parliament's version of the proposed legislation is not final, under the amended bill, **online companies would not be required to report cyber incidents**.
- The Greek Presidency has announced that it aims at **securing political agreement** among the Member States before the meeting of the EU telecom minister that will take place on **6 June** in Brussels.

Net neutrality

EU: Coalition against overly prescriptive net neutrality rules

- The **European Parliament's Industry Committee** is to vote on the proposed **EU telecom package** at its meeting on 18 March. The provisions on **net neutrality** are said to be the most controversial point of discussion. While the Greens and the Socialists proposed detailed technical limitations on the services operators can or can't offer, the Liberals and the Conservatives are in favour of less prescriptive rules.
- At a recent event organised by the **European Internet Foundation**, European Commission officials, **national regulators and telecom operators** are said to have formed a coalition urging EU lawmakers to **ensure that the future net neutrality rules are not overly prescriptive**.
- **Göran Marby** at **BEREC** (Body of European Regulators for Electronic Communications) stated that his body's investigation did not confirm the allegations of a wide-spread blocking of online services. Therefore, Marby argued that the best way to uphold net neutrality is to enforce market competition and easy switching of providers.

Comment:

BEREC will carry out a consultation on net neutrality from 17 March to 28 April. The consultation is to deal with BEREC's report on systems for monitoring the quality of Internet access services.

General

EU: Digital Single market could boost EU's economy by €260 billion

- The **European Parliament's Research Service** has published a study entitled '*Mapping the cost of non-Europe 2014-2019*'. According to the report, the **digital single market could boost the European economy by €260 billion annually**. The benefits would mainly come from privacy-focused initiatives and cross-border online commerce.
- The report underlined that too many barriers block the free flow of goods and online services across national borders, and stressed that among others the **most serious impediments relate to e-privacy and data protection**.
- In order to boost the digital market, the report said that the most urgent actions need to strengthen consumer online trust.

Germany: Federal Government to steer Digital Agenda

- On 13 March, the **German federal government presented the cornerstones of the planned "Digital Agenda 2014 – 2017"** with the ambitious objective of making **Germany the digital growth capital in Europe** within four years.
- In Germany, the **digital agenda** is managed by the following ministers: Minister for Economics, Sigmar Gabriel (SPD), Minister for Infrastructure, Alexander Dobrindt (CSU) and Minister for the Interior, Thomas de Maizière (CDU). They found common grounds on **seven main areas of activity**: digital infrastructure and broadband expansion that has been given top priority; digital economy; innovative nation; digital society, research, education and culture; security; protection and trust for society and industry; European and international dimensions of the digital agenda.
- Moreover, **Minister de Maizière** has stated that he would like to introduce the first **draft for an IT Security law before the end of 2014**. **Minister Gabriel** wants to put forward IT security and data protection areas, and to examine the social effects of Big Data and Cloud Computing.