EUROPEAN UNION

Committee of the Regions

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DRAFT OPINION

Commission for Social Policy, Education, Employment, Research and Culture

**European Cloud Initiative and
ICT Standardisation Priorities for the Digital Single Market**

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This document will be discussed at the meeting of the **Commission for Social Policy, Education, Employment, Research and Culture** to be held **from 11 a.m. to 5.30 p.m. on 22 June 2016**. To allow time for translation, any amendments must be submitted through the online tool for tabling amendments (available on the Members' Portal: http://cor.europa.eu/members) by **no later than 3 p.m. (Brussels time) on Thursday, 9 June 2016**. A user guide is available at http://toad.cor.europa.eu/CORHelp.aspx.

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Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – ICT Standardisation Priorities for the Digital Single Market
COM(2016) 176 final

Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – European Cloud Initiative – Building a competitive data and knowledge economy in Europe
COM(2016) 178 final

Draft opinion of the Commission for Social Policy, Education, Employment, Research and Culture – European Cloud Initiative and ICT Standardisation Priorities for the Digital Single Market

I.   POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

Preliminary remarks

1.   considers the Commission initiatives on the European Cloud and on ICT standardisation priorities to be important, in particular with a view to Europe's position in the global digital economy and achieving the objectives of the Digital Single Market Strategy;

2.   notes that reducing obstacles to knowledge-sharing will substantially boost the competitiveness of European businesses while also benefiting local and regional authorities;

3.   judges the Commission's phased approach to rolling out European cloud services to be sensible and is pleased to note that the framework will enable first the scientific community, and then both businesses and local and regional authorities, to use shared knowledge as well as producing it;

4.   shares the Commission's view that competitive High Performance Computing can only be developed through joint measures;

5.   agrees with the Commission that European ICT standardisation efforts must be stepped up in order to harness the potential of digitalisation and to deliver cross-border services;

6.   notes that notwithstanding ICT standardisation, companies and the public sector must also be given scope to develop, acquire and apply innovative solutions that deviate from those standards;

7.   observes that the development and/or application of common standards is still seriously wanting in the case of many areas crucial to the digital single market, for example electronic identification, and is still very concerned that geographical differences in high-speed broadband accessibility are hindering completion of the digital single market[1];

8.   affirms that European local and regional authorities are keen to develop knowledge-sharing, and also to notify the ICT standards that are required to meet their needs in respect of public service development[2];

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[1]   See CdR 104/2010 , CdR 65/2011, CdR 3597/2013, CdR 2646/2015 and CdR 4165/2014.

[2]   CdR 626/2012.

9.   urges the Commission to ensure that relevant national players in all the Member States embark on adequate measures to promote open science cloud services as well as knowledge-sharing more generally, as otherwise there is a substantial risk that differences between the Member States will increase rapidly, a situation that would very soon become apparent in the activity of local and regional authorities;

10.   agrees with the Commission that every organisation – big or small, public or private – is expected to appropriately manage cybersecurity risks and, where necessary, be in a position to show that it does so successfully, and urges that measures be devised to help develop cybersecurity know-how at every level necessary[3];

Interoperability

11.   notes that the common denominator of the two communications to which this opinion refers is the lack of interoperability in many different sectors, which results in researchers, industry, public authorities and policy-makers being unable to access the data they need;

12.   points out that the greatest obstacle to interoperability, in relation to such data sharing as cross-border digital services for example, is usually the lack of a standardised data architecture[4];

13.   recommends that, in addition to the minimum standards and simple meta-data mentioned in the communication, the possibility also be considered of defining the European master data required in cross-border services;

Standardisation

14.   shares the Commission's view that the current context requires partnerships between different sectors in standardisation, and would give the example of e-health, where increasing people's responsibility for their own health calls for a broader perspective[5];

15.   notes that the e-health, intelligent transport systems, smart energy and more environment-friendly manufacturing technology, which the Commission cites in its communication as examples of important target areas, are quite central to the activities of local and regional authorities, which will have to be actively involved if the objectives are to be achieved;

16.   agrees with the Commission that priorities should be subject to regular review, because standardisation needs can actually change very quickly, owing to the constant advent of new innovations in welfare services for instance;

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[3]   CdR 1646/2013.

[4]   CdR 5514/2014.

[5]   CdR 5514/2014.

17. believes it is important in European standardisation for broad use to be made of the innovations that are part of company patents, and supports the Commission's efforts to clarify core elements of an equitable, effective and enforceable licensing methodology around FRAND principles;

18. notes that much open-source licensed software is already being used in European local and regional government. This is regarded as a positive development, which the Commission should further in particular by clarifying the relationship between open source and FRAND licensing terms;

19. points out that alongside the development of EU and international official standardisation, measures are needed to underpin the position of those de facto standards and general good practices which are more often used;

20. considers it essential to develop procedures to ensure that the needs of the end-users of standards – both businesses and the public sector – are known when standardisation plans are drawn up;

21. very much welcomes the Commission's proposal to support broader participation of European experts in international ICT standardisation, since common global procedures are vitally important both for achieving European digitalisation objectives and for the development of the sector;

22. observes that it is already several years since the publication of the European Interoperability Framework for European Public Services, and welcomes the Commission's plan to update it, hoping that the potential of the internet of things will also be considered in this process[6];

European cloud services

23. notes that cloud services are expanding rapidly in Europe. According to a Commission study, this could mean Europe's cloud services market growing from EUR 9.5 billion in 2013 to EUR 44.8 billion by 2020, representing a fivefold increase[7]. According to Eurostat data from the end of 2014:
    a) 19% of EU businesses were using cloud services in 2014, mainly to host email systems and for electronic file storage;
    b) 46% of those businesses were using advanced cloud services relating to financial and accounting software applications, customer relations management and use of computing power to run business applications;
    c) four out of ten (39%) of the businesses using cloud services reported the risk of data security breaches as the main factor limiting their use of cloud services;
    d) a similar proportion of businesses (42%) not using cloud services said that the main factor preventing them from using cloud services was lack of knowledge of cloud computing;

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[6] See CdR 10/2009, CdR 5514/2014, Annex 2 of COM(2010) 744 final, and COM(2016) 179 final.

[7] https://ec.europa.eu/digital-single-market/en/news/final-report-study-smart-20130043-uptake-cloud-europe.

24.	notes that cloud services are based on trust and that to win and keep trust considerable attention must be paid to data security and privacy;

25.	hopes that account will be taken of the potential for open science cloud services to be used in education;

26.	draws attention to the role of public-private partnerships in developing open science cloud services and reiterates its previously stated opinion that existing clouds or clouds under development at national, regional and possibly local level should be made interconnectable and interoperable with European solutions[8];

27.	notes that broad use of the data and other material provided through cloud services is conditional on resolving issues relating to copyright[9];

Data sharing

28.	urges the Commission to use every means possible to increase sharing of European data with the aim of ensuring that in the future data is kept in just one place and accessible to all those who need it;

29.	welcomes the Commission's intention to put forward an EU "Free flow of data" initiative to promote the free flow of data in the Union[10];

30.	emphasises that sharing of standardised data will reduce the current fragmentation between researchers, businesses and public authorities, as well as within these groups, and that it will thus further many of the objectives relating to the digital single market;

31.	shares the Commission's understanding of the biases currently hindering data sharing and urges it to be more active in communicating the benefits of data sharing for the party doing the sharing[11];

32.	notes that sharing data also has important benefits for local and regional authorities. The owner of the data loses nothing from sharing it: on the contrary, sharing increases the value of the data. Opening up government data enhances democracy and provides new business opportunities. Data sharing also reduces the need for ad hoc and often costly data requests;

33.	points out that if citizens have broader access to their personal health data online this will mean they take more responsibility for their own health, and hopes that opportunities will increase for people to also use their data in other areas of public administration;

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[8]	CdR 1673/2012.

[9]	CdR 2646/2015.

[10]	COM(2015) 192.

[11]	CdR 4165/2014.

34. notes that to benefit from the European Open Science Cloud, public authorities and SMEs in particular need not just the actual data but also tools for analysing it, especially in the case of Big Data;

35. supports the Commission's endeavour to bring the European data community together, for instance in the Big Data public-private partnership under the Horizon 2020 programme, and encourages local and regional authorities to get involved in this cooperation if they can;

36. believes that the European Open Science Cloud, which incorporates public authority, business and research data, could using Big Data processing methods facilitate for instance the handling of municipal policy matters, which are often multidimensional and complex;

Internet of things

37. is pleased to note that the internet of things (IoT) is one of the Commission's standardisation priorities, since in future this will have a substantial positive impact on the quality of services and productivity of activities for which local and regional authorities are responsible. According to a European Commission study[12], the market value of the IoT in the EU is expected to exceed one trillion euros by the year 2020;

38. hopes that the Commission will take broader account of the great potential of IoT in its various programmes relating to digitisation of public administration;

39. believes that laying down standards for the internet of things in the context of public procurement serves the needs of regions and municipalities and may give European industry a substantial edge in this sector;

40. points out, however, that IoT is a nascent sector and that not just standards are needed, but also innovative experimentation, whose financing should be a priority for the Union;

41. notes that various analyses have shown local and regional authorities to be underinformed about the benefits of IoT, especially in healthcare, energy efficiency, environmental matters, security, and real estate management, not to mention smart transport, and hopes that the Commission will take measures to meet this need;

42. emphasises that all five of the priority domains identified by the Commission for standardisation are interconnected, but that there is a particularly close interdependence between IoT and future 5G networks. Unless full geographical coverage is achieved for 5G networks, it will be impossible for the internet of things to be used in the same way in all European regions.

Brussels,

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[12] https://ec.europa.eu/digital-single-market/en/news/definition-research-and-innovation-policy-leveraging-cloud-computing-and-iot-combination

II. PROCEDURE

Title	European Cloud Initiative and ICT Standardisation Priorities for the Digital Single Market
Reference(s)	COM(2016) 176 final and COM(2016) 178 final
Legal basis	Article 307 TFEU
Procedural basis	Own-initiative opinion (Rule 41(b)(i) of the Rules of Procedure)
Date of Council/EP referral/Date of Commission letter	Not applicable.
Date of Bureau/President's decision	Not applicable.
Commission responsible	Commission for Social Policy, Education, Employment, Research and Culture (SEDEC)
Rapporteur	Anne Karjalainen (FI/PES)
Analysis	19 May 2016
Discussed in commission	22 June 2016
Date adopted by commission	22 June 2016
Result of the vote in commission (majority, unanimity)	To be confirmed
Date adopted in plenary	11 and 12 October 2016
Previous Committee opinions	CdR 2646/2015, *Digital Single Market* CdR 5514/2014, *Interoperability as a means for modernising the public sector* CdR 4165/2014, *The importance of a more interconnected Europe, focusing on the potential of the ICT sector as a source of growth* CdR 5960/2013, *European single market for electronic communications* CdR 3597/2013, *Reducing the costs of deploying broadband* CdR 1646/2013, *Cybersecurity strategy* CdR 1673/2012, *Unleashing the potential of cloud computing in Europe* CdR 625/2012, *Data protection package* CdR 626/2012, *Review of the Directive on re-use of public sector information and open data* CdR 65/2011, *The European egovernment action plan 2011-2015* CdR 104/2010, *Digital Agenda for Europe*
Date of subsidiarity monitoring consultation	Not applicable.

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