

# EUROPEAN ECONOMIC AREA

## STANDING COMMITTEE OF THE EFTA STATES

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### SUBCOMMITTEE IV ON FLANKING AND HORIZONTAL POLICIES

#### **EEA EFTA Comment on the Commission's Communication on "A coherent framework to build trust in the Digital single market for e-commerce and online services"**

#### PREFACE

1. The EEA EFTA States share the Commission's view on the importance of strengthening the conditions for cross-border e-commerce in the EU/EEA. We therefore welcome the action plan for doubling the volume of e-commerce in Europe by 2015 that the Commission presented on 11 January 2012. The development of e-commerce and online services offers great potential for beneficial, social and societal change. The internet economy creates new jobs, products and services, and offers better choice to consumers.
2. The digital economy is developing rapidly. The Communication states that the internet economy creates 2.6 jobs for every offline job lost. We need to support emerging new digital business models and to remove barriers such as fragmented legislation and different standards in order to take full advantage of the digital era. In times of economic difficulty, the potential for growth and employment in the digital economy should be utilised.
3. The Communication presents a 'roadmap' for the fulfilment of the Digital Single Market. It shows how important it is to cooperate in different fields; from areas such as broadband development and cloud computing, to dispute resolution for consumers, data protection, copyright and payment and delivery systems.
4. There are many challenges of creating a truly Digital Single Market. Europeans should be digitally connected – they should be able to get online, anywhere and anytime, with an easy access to ordering, paying and receiving services.

#### *Consumer protection in connection with e-commerce and digital content*

5. We would like to point out the need for more information on the purchase of digital content, particularly for consumers. Complicated licensing regimes and contractual conditions under which such content is being traded, make it difficult for consumers to make informed choices when shopping online. What is legal and what is illegal may be unclear in some situations, especially when cross-border commerce is involved. Information regarding personal data protection is also relevant in connection with the purchase of digital content online. Digital Rights Management (DRM) systems that

content providers use may pose some dilemmas in this respect. It is important for consumers to make informed choices also in this context.

6. Online trust is necessary. It is essential to ensure digital literacy and skills to keep up with technological advances, and not to exaggerate the lack of trust. In Norway for example, a total of 90 percent of the internet users think that the security of payment systems is good. This is the main reason for the increase in on-line sales by 45 percent from 2009 to 2010.
7. It is important that existing rules and legislation work efficiently in practice. It is of little help for consumers to have rights, if this specific right is not enforced efficiently. We therefore consider the action points on efficient dispute resolution as important as adopting new legislation. We especially emphasise the action point on strengthening the European Consumer Centres (ECC-Net) and the Consumer Protection Cooperation (CPC), and on adopting alternative dispute resolution systems (ADR and ODR).
8. Also businesses and governments should acquire the necessary skills and seize the digital opportunities. This requires a follow-up in practice, and integration of digital thinking in every part of the organisation. This means taking part in electronic procurement, sending invoices electronically, being accessible on the internet, reporting to public authorities electronically etc.

#### *Notice and action procedures*

9. Regarding notice and action procedures to combat illegal content, in light of the current regulation on liability of online intermediaries, we have noted that the Commission proposes to undertake an impact assessment in order to determine what action is needed. We believe that this is the correct approach. More knowledge about notice and action procedures across the EEA States is needed before a decision on a potential next step is made. Action directed at describing various practices as well as their effectiveness in enforcing documented liabilities could be the first step in this regard. Any further actions should be determined on the basis of the knowledge gathered.

#### *Internet security*

10. We commend the Commission for proposing to develop a European Strategy for Internet Security. Internet is global, and internet security is hence by nature a global issue. International cooperation, especially with non-EU entities, will therefore be crucial. That said, relevant and needed initiatives are, in our opinion, to encourage Computer Emergency Response Team (CERT) cooperation, capacity building and to develop emergency protocols in case of incidents involving several EEA States.

#### *Electronic invoicing*

11. We would like to emphasise the importance of PEPPOL-standards on electronic invoicing, not only for e-government, but also when used in the private sector. In Norway for example, we see that the standard format (EHF, a national implementation of PEPPOL BIS) and infrastructure is being established and used, not only private-to-public, but also private-to-private. The solution should be designed to freely include

private actors without infringing state aid regulation. This will result in simplification by avoiding special government-related services, it will make it more legitimate to demand this format, and it will increase the incentives to digitalisation also in the private sector.

12. Action point 14 of the communication states that *“The Commission will strengthen and facilitate the development of information and communication structures in 2012 by: in the context of the Connecting Europe Facility, preparing guidelines for the preparation of broadband infrastructure projects”*; We think that it is necessary to reuse e-government standards under the Connecting Europe Facility (CEF) to the largest extent possible, where appropriate, to facilitate and simplify for the private sector as well.
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