

PIN-SME position paper on the European Commission's Communication on future networks and the internet

Approved by PIN-SME General Assembly on 2nd December 2008

Introduction

This paper presents the response of PIN-SME, the European ICT SMEs' association, to the European Commission's "Communication on future networks and the internet".

Small and medium-sized enterprises (SMEs) are essential in the move towards a new role of Internet in Europe's economy and society, and we welcome the opportunity to present the views of Europe's ICT SMEs in this respect.

PIN-SME is an association formed in 2007 to represent the interests of Europe's ICT SME sector. Currently eight national and regional associations are members, representing some 50,000 ICT SME companies that account for around 200k jobs. PIN-SME aims to ensure that ICT SMEs get talked *to* rather than just talked *about*. It provides a voice for ICT SMEs in the policy and business arenas and is already represented in several EU expert groups and taskforces.

Internet of the future

The Internet has always been open and that has been the reason for its amazing capacity to deliver innovation. Without open and affordable access to the Internet, Europe's small businesses risk falling behind in the race for international competitiveness. PIN-SME therefore warmly endorses the Communication's approach to openness, recognising that the challenges lie not just in telecommunications policy but also as regards open standards and copyright policy.

A *new* balance among these elements should be searched. PIN-SME intends to contribute to this debate and would like to put forward the following considerations.

PIN-SME - Rue Jacques de Lalaing, 4 – B-1040 Brussels -Tel. +32-2 282 05 30 - Fax +32-2 282 05 35-
www.pin-sme.eu

In partnership with:



UNION EUROPEENNE DE L'ARTISANAT ET DES PETITES ET MOYENNES ENTREPRISES
EUROPÄISCHE UNION DES HANDWERKS UND DER KLEIN- UND MITTELBETRIEBE
EUROPEAN ASSOCIATION OF CRAFT, SMALL AND MEDIUM-SIZED ENTERPRISES
UNIONE EUROPEA DELL' ARTIGIANATO E DELLE PICCOLE E MEDIE IMPRESE



1. Internet access

The Communication frequently notes that Internet access needs to remain open. PIN-SME totally agrees on this approach but reckons that relying on consumer switching risks to be not sufficient and encourages the Commission to take a more proactive stance in this matter. Authorities should monitor the proper functioning of the internet and ensure that discriminatory practices are promptly discovered and sanctioned.

The Commission is right to warn against allowing Internet service providers to prioritize or slow down traffic on the net. Next Generation Networks should first and foremost target the bandwidth limitations of today's networks. This should reduce to the minimum the need for traffic management, but where it remains necessary (e.g. to congestion at the peak period). Such management should not lead to distortions in competition for web based services.

2. Open Standards

The importance of open standards is magnified in the knowledge economy. The Commission is certainly right to warn against allowing dominant software standards locking consumers into their products.

PIN-SME members would like to call attention to markets allowing network externalities where SMEs are typically involved. Open interfaces and standards are essential to guarantee fair competition and free entrance to the market for new operators.

In this respect PIN-SME agrees with the Commission that most of the time market mechanisms have solved the issues and privileged open interfaces but encourages the Commission and public authorities to take a more proactive stance. PIN-SME believes that that relying on market mechanisms is a risky approach and warns that standards should be maintained fully interoperable, open and royalty free.

Interoperability, openness and free IP policy are essential characteristics in standards and PIN-SME believes the Commission should prioritize them especially in the context of standards to be referred in legislation and public procurement.

3. Copyright

As the Communication notes the Commission has recently launched a debate about copyright exceptions. PIN-SME believes that transformative use does need to be embraced by EU policy makers to facilitate

PIN-SME - Rue Jacques de Lalaing, 4 – B-1040 Brussels -Tel. +32–2 282 05 30 - Fax +32–2 282 05 35-
www.pin-sme.eu

In partnership with:



UNION EUROPEENNE DE L'ARTISANAT ET DES PETITES ET MOYENNES ENTREPRISES
EUROPÄISCHE UNION DES HANDWERKS UND DER KLEIN- UND MITTELBETRIEBE
EUROPEAN ASSOCIATION OF CRAFT, SMALL AND MEDIUM-SIZED ENTERPRISES
UNIONE EUROPEA DELL' ARTIGIANATO E DELLE PICCOLE E MEDIE IMPRESE



creativity, improve access to works and enable follow-on innovation. By definition, transformative use represents an innovative new exploitation that does not endanger the existing economic incentives of a rights holder.

About PIN-SME

PIN-SME, the PanEuropean ICT and eBusiness Network for SMEs, is the first European association of the ICT sector exclusively focused of representing the interests of SMEs. PIN-SME Founding Members are seven national sectorial SME associations from different EU countries and one ICT SME network from Germany. PIN-SME represents more than **50.000 enterprises**, which employ around 200.000 people across Europe.

PIN-SME members

BASSCOM - Bulgarian Association of Software Companies (BULGARIA), CNA -Comunicazione e Terziario Avanzato, Confederazione Nazionale dell'Artigianato e della Piccola e Media impresa (ITALY), ESTIC - Asociación Empresarial del Sector TIC (SPAIN), BestPractice-IT - G+F Verlags und Beratungsgesellschaft mbH (GERMANY), GPNI - Groupement Professionnel National de l'Informatique (FRANCE), it-forum midtjylland (DENMARK), UBIT Unternehmensberatung & IT (AUSTRIA), UKita, United Kingdom IT Association (UNITED KINGDOM)

PIN-SME - Rue Jacques de Lalaing, 4 – B-1040 Brussels -Tel. +32–2 282 05 30 - Fax +32–2 282 05 35-
www.pin-sme.eu

In partnership with:



UNION EUROPEENNE DE L'ARTISANAT ET DES PETITES ET MOYENNES ENTREPRISES
EUROPÄISCHE UNION DES HANDWERKS UND DER KLEIN- UND MITTELBETRIEBE
EUROPEAN ASSOCIATION OF CRAFT, SMALL AND MEDIUM-SIZED ENTERPRISES
UNIONE EUROPEA DELL' ARTIGIANATO E DELLE PICCOLE E MEDIE IMPRESE

