

Policy Recommendations for a European Tech Agenda

Europe's opportunity to preserve an enabling environment for innovation and ensure its global competitiveness and security

The Information Technology Industry Council (ITI) is the premier advocate and thought leader for the global technology industry. ITI's membership comprises 70 of the leading technology and innovation companies from all corners of the information and communications technology (ICT) sector, including hardware, software, digital services, semiconductor, network equipment, cybersecurity, and Internet companies.

The technological innovations of ITI's members, and the digitalisation of the economy more broadly, bring innumerable benefits to European industry and society. The tech sector empowers European companies of all sizes and across industries – from agriculture to education, financial services to manufacturing, healthcare to energy and transportation – to leverage frontier innovations towards competition and success in the global marketplace. Whether it is sensors that detect health and safety hazards for workers in real time, or artificial intelligence that allows doctors to analyse complex medical data faster than ever, technology allows us to address some of the most challenging issues of our time and improve the quality of everyday life for Europeans. The tech sector is also already taking significant steps to help prepare the workforce of the future for the shifting skills and competencies that are required in the 21st century.

Tech policy is a crucial priority in the 2019-2024 EU term, one on which Europe has an opportunity to play an international leadership role on policy issues that are increasingly global. ITI and its members believe that building trust and fostering the public interest in the era of digital transformation are essential. Our companies have made great strides in bringing the positive societal benefits of transformative technologies to fruition and remain committed to upholding the fundamental principles of privacy, inclusivity, transparency, and democracy that underpin European society. We believe in the importance of preserving an enabling environment for innovation to ensure Europe's global competitiveness and security. Europe's digital infrastructure is the foundation for that. 5G is a core element to support digital transformations in industry and society, estimated to enable more than €2.2 trillion worth of economic output in Europe by 2030.

ITI has developed recommendations outlining concrete steps that policymakers can take, in partnership with industry, academia, civil society, and other stakeholders, to effectively implement the ambitious agenda for "Shaping Europe's Digital Future" launched by the European Commission in February 2020. Our recommendations address the economic and social implications of technology and the role of our industry, in a manner that supports innovation, while recognising the public interests at stake.

Read ITI's full EU Policy Recommendations <u>here</u>.



Sustainability

The technology industry supports Europe's climate ambitions and urges for industry-led, collaborative policies

In its December 2019 Communication 'The European Green Deal', the European Commission has outlined its ambition to become the first climate-neutral continent by 2050. With this strong commitment, the European Commission is viewing different industrial sectors and assessing them for their energy performance.

While tech is a fundamental enabler for achieving society's sustainability goals, our industry also has an important direct role to play in the green transition, and many companies are already taking action and committing to ambitious goals related to their respective activities. The technology industry is for example developing ways to efficiently handle rapidly growing data volumes from data storage to data flows to data analytics. Further, the transition to 5G will catalyse energy efficient solutions across all industry sectors, thereby reducing carbon emissions.

Our Recommendations

- 1. Digital technologies are recognised as a crucial means to achieve the transition towards a climate-friendly Europe. Our industry embraces this important role wholeheartedly and stands ready to support the Commission's efforts. We encourage greater investment in and use of technologies that can help facilitate the green transition in order to for example better manage the electricity grid or save energy via smarter management of freight.
- 2. Mandating a certain charging technology would risk innovation and thereby limit consumer welfare while not leading to significant waste reduction. Ideas to mandate a common charger have been much debated in Europe. While we applaud the goal of reducing electronic waste while increasing consumer convenience, we do not believe that mandating a certain technology would be the right way to achieve this goal or promote innovation. The marketplace has shifted significantly since debate on this topic began: in 2009, there were thirty different mobile chargers on the market, now there are three (USB-C, micro USB, and lightning). The European Commission has noted in the past that mandating the use of a specific technology would have ultimately been counterproductive in fostering this convergence. E-waste and consumer convenience have been cited as key components of any voluntary or regulatory approach to a common charger. We share these priorities, and encourage EU policymakers to carefully consider how any solution might actually achieve these goals. We favor a fact-based approach that fosters innovation and continued interoperability in the market. We look forward to the publication of the Commission's impact assessment, and encourage the Commission to decide on the most suitable approach based on the available evidence.
- 3. Repairability should not come at the expense of product quality. One of the key areas of focus for the new European Commission will be advancing repairability, recyclability and reuse of electronic products with a view to increasing product lifespans and enabling certified third-party repairs. Our industry has long been pursuing these objectives, has advanced professional repairability of electronic products and believes in the need of appropriate repair strategies. While we stand ready to support these efforts, repairability should not come at the expense of ensuring product longevity through (build) quality and durability. We encourage a balanced approach that considers all the needs of the customer including function, durability, safety, and security. We stand ready to jointly explore with the Commission how design requirements, e.g. on component accessibility, can strike the right balance without having unintended negative design or durability impacts.



- 4. Data centers are a key vehicle for energy-efficient data storage. Data centers enable the most innovative companies in the world to store their data, compute it, execute and deliver services. Tremendous energy efficiency gains have been made by the transition from local data storage within companies to outsourcing of data storage to trusted providers. A whole new industry has emerged from this need of the technology industry in the past decades. Data centers are working hard to meet growing demands for storage space while using state-of-the art technology to support energy-efficient handling of data for the benefit of the environment but also to meet economic considerations. The previous European Commission has implemented ambitious mandatory standards for server energy efficiency (Commission Regulation 2019/424), which are taking effect on 1 March 2020. We seek to embark on a path of positive collaboration with stakeholders in the European institutions moving forward.
- 5. The transition to a circular economy requires a harmonised approach at EU level, where all Member States abide by the same rules and enable a more sustainable Single Market for digital products and services. While we understand the ambitions, some countries may have to go further than EU law and adopt more restrictive measures, we would favor an EU-level regulatory framework based on sound scientific analysis and justified regulation. This would avoid risks of creating barriers to trade and fragmenting the EU's Single Market, and it would bring all EU countries to a higher environmental standard.

