



Commissioner Carlos Moedas

Lunch meeting with [REDACTED],



Microsoft Portugal

BERL13, Salon de convivialité

11/09/2017

13:00 - 14:30

<p>Main contact person: [REDACTED], ☎ [REDACTED] RTD-A.6 [REDACTED], ☎ [REDACTED] RTD-A.6</p> <p>Contributor: [REDACTED], ☎ [REDACTED] RTD-B.1, [REDACTED]</p>	<p>Cabinet Members: Alfredo Sousa</p>
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1. STATE OF PLAY

On 10 January 2017, the Commission adopted its proposal for a Regulation on Privacy and Electronic Communications. The proposed Regulation will replace the current ePrivacy Directive, the review of which was foreseen by the Digital Single Market Strategy as one of the actions to reinforce trust and security as well as a level playing field for all market players in the Digital Single Market.

The goal of the reform is to adopt a coherent and up-to-date framework capable to strike the balance between industry's interests and consumers' rights to privacy and data protection, as enshrined in Articles 7 and 8 of the Charter of Fundamental Rights of the European Union.

The legal instrument chosen, a regulation instead of a new Directive, should ensure consistency with the GDPR (General Data Protection Regulation) as well as legal certainty for users and businesses, by avoiding divergent interpretation in the Member States, although some flexibility is foreseen.

Under the Maltese Presidency, the Council published its progress report on 19 May 2017, summarizing some of the issues raised by the delegations: among them, the interaction of the new rules with the GDPR and Telecoms Code; the scope of the new Regulation (extension to the OTT services and 'ancillary services'); the breadth of the provision on confidentiality of e-communication data; the protection of information stored in, or emitted by, end-users' terminal equipment.

The independent European advisory body on data protection has released its Opinion on the proposal on 4 April 2017.

The Group of DPA's note 4 points of concern related to:

- 1) WiFi tracking;
- 2) analysis of content and metadata;
- 3) tracking walls (calling for explicit prohibition of them), and
- 4) privacy by default (in the privacy settings of terminal equipment and software).

In the Art29 WP's view, the proposed Regulation should provide an equal or higher level of protection than the GDPR, not lower.

The European Data Protection Supervisor (EDPS), the consultation of whom is mandatory, has also provided his Opinion on 24 April 2017, which is in line with the one of the DPA group.

2. BACKGROUND NOTES

2.1 Curriculum vitae of [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] t at Microsoft Portugal [REDACTED]

[Redacted text block]

2.2 Background information –Statistics/Facts and Figures

Microsoft projects under FP7 and Horizon 2020

MICROSOFT

MICROSOFT and its subsidiaries has 25 participations in FP7 with total EU contribution of 5.4 (M euro). In Horizon 2020, organisation has, 1 participation with total EU contribution of 0.26 (M euro)

Participation Data FP7

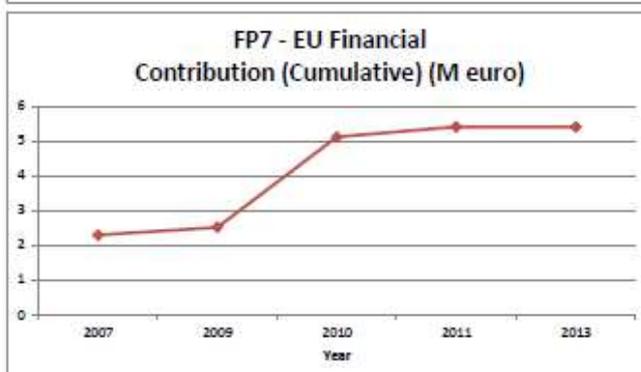
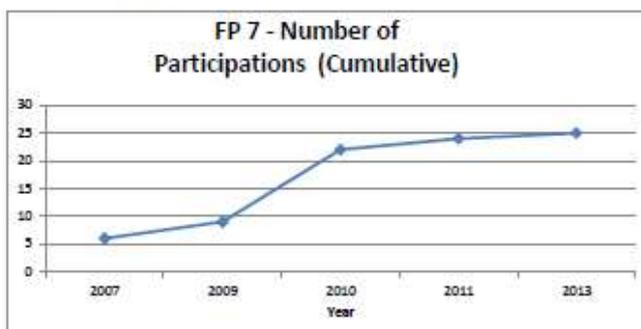
Number of Proposals for the Organisation:	46
Proposals Success rate:	54.35%
Number of Participations for the Organisation:	25
EU Financial Contribution to the Organization (M euro):	5.40

Overall Participation

MICROSOFT participation in FP7 includes participation through its subsidiaries :

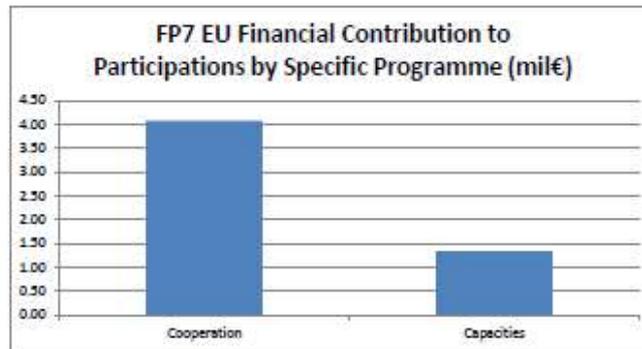
Participant Legal Name	Nb. Participations	EC Contributio
ELLINIKO KENTRO KENOTOMIAS MICROSOFT (Microsoft Innovation Center-Greece)	2	0.44
EUROPAEISCHES MICROSOFT INNOVATIONS CENTER GMBH	11	4.40
Microsoft Ireland Research	1	0.09
MICROSOFT ISRAEL RESEARCH AND DEVELOPMENT 2002 LTD	1	0.22
MICROSOFT NV	2	0.09
Microsoft Research and Development France	2	0
MICROSOFT RESEARCH LIMITED	5	0
THE MICROSOFT RESEARCH - UNIVERSITY OF TRENTO CENTRE FOR COMPUTATIONAL AND SYSTEMS	1	0.16

In FP7, 46 proposals came from MICROSOFT, with 54.35 % success rate 25 became projects. MICROSOFT receives a total of EUR 5.4 million as EU contribution. Out of 25 projects participations, MICROSOFT coordinates 2.



Distribution by pillar

When splitting the figures by pillar, in FP7 the most important contribution is for the Cooperation programme, with an amount of 4.07 million Euros.



Participation Data H2020

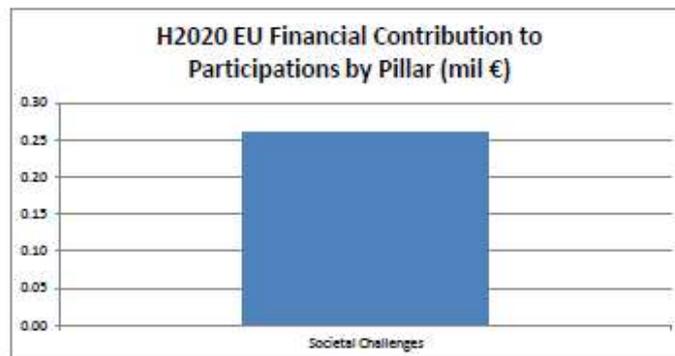
Number of Proposals for the Organisation:	14
Proposals Success rate:	7.14%
Number of Participations for the Organisation:	1
EU Financial Contribution to the Organisation (M euro):	0.26

MICROSOFT participation in H2020 includes participation through its subsidiary ELLINIKO KENTRO KENOTOMIAS MICROSOFT (Microsoft Innovation Center-Greece)

In H2020, 14 proposals came from MICROSOFT, with 7.14 % success rate 1 became projects. MICROSOFT receives a total of EUR 0.26 million as EU contribution.

Distribution by pillar

In H2020, the most important contribution is for the Societal Challenges, with an amount of 0.26 million Euros.



Report generated on: 2017/09/07,10:00 AM
H20 E-CORDA extraction date: 01-SEP-17

Annex List of FP7&H2020 Projects

FP7 projects

Project Coordination			Participant EU Financial Contribution (euro)
Project Acronym	Programme	Number of Participants	
Consequence	Information and Communication Technologies	7	584,934.00
MyMedia	Information and Communication Technologies	7	672,645.00
2			1,257,579.00

Project Participation			Participant EU Financial Contribution (euro)
Project Acronym	Programme	Number of Participants	
ACTIVE	Information and Communication Technologies	14	214,698.00
PERSIST	Information and Communication Technologies	11	0.00
PrimeLife	Information and Communication Technologies	15	416,346.00
ARAGORN	Information and Communication Technologies	8	405,100.00
PANACEA	Health	5	0.00
S(o)IOS	Information and Communication Technologies	6	0.00
TERAFLUX	Information and Communication Technologies	11	220,236.00
IoT@Work	Information and Communication Technologies	6	448,916.00
ABC4Trust	Information and Communication Technologies	14	35,505.00
ACTOR	Information and Communication Technologies	6	57,060.00
IMC-AESOP	Information and Communication Technologies	19	263,054.00
KAP	Information and Communication Technologies	15	665,124.00
VENUS-C	Research Infrastructures	14	1,129,692.00
APARSEN	Information and Communication Technologies	34	0.00
SCAPE	Information and Communication Technologies	20	0.00
ENGAGE	Research Infrastructures	9	204,697.00
LT-Web	Information and Communication Technologies	13	85,600.00
FLASHED	Information and Communication Technologies	5	0.00
18			4,146,028.00

H2020 projects

Project Participation			Participant EU Financial Contribution (euro)
Project Acronym	Pillar	Number of Participants	
i-PROGNOSIS	Health, demographic change and wellbeing	11	258,437.50
1			258,437.50

3. ANNEX

Proposal for a Regulation on Privacy and Electronic Communications

The proposal, based on Articles 16 and 114 TFUE, aims to ensure protection of fundamental rights and freedoms, in particular the rights to respect for private life and communications and protection of personal data in the electronic communications sector. It also aims to ensure free movement of electronic communications data and services in the EU. Furthermore, the proposal seeks to align the rules for electronic communications with the new standards of the General Data Protection Regulation (hereinafter: GDPR) adopted in 2016.

The proposal contains provisions ensuring confidentiality of electronic communications and specifies under which conditions processing of electronic communications data is permitted. It covers the protection of users' terminal equipment, updates the rules on online tracking and introduces provisions on device tracking. With regard to control of end-users over their electronic communications, the proposal provides for possibilities to prevent the presentation of the calling line identification and updates the current rules on public directories and spam.

The proposal extends the scope of the current rules to cover not only traditional telecom operators but also new internet-based services enabling inter-personal communications such as Voice over IP, instant messaging and web-based email services. The enforcement of the new rules would be entrusted in national data protection authorities. Directive 2002/58/EC served the aim of providing special data protection rules for electronic communications services, including provisions on: confidentiality of e-communications; security of networks and services; data breach notifications; limited storage of traffic and location data; prior consent to spam and to cookies, besides other issues.

The reform put forward in January 2017 clearly builds on this directive, but introduces changes in order to ensure a better harmonization of rules, to take pace with the technological developments, to address the needs of both consumers and businesses and with the aim, among others, to eliminate unjustified barriers to the free flow of data. The EU, legislators, in fact, has been called upon by, the European Council In its conclusions of December 2016 to remove remaining obstacles within the single market, including those hampering the free flow of data.

The need for a reform on e-Privacy rules emerged in particular from the public consultation carried out between April and July 2016, the results of which have been published in August 2016.

Moreover, the Commission carried out an ex post Regulatory Fitness and Performance Programme ("REFIT evaluation") of the e- Privacy directive. From this evaluation, it follows that while the principles of the directive remain sound, important technological and economic developments took place in the market as consumers and businesses increasingly rely on new internet-based services enabling inter-personal communications, such as 'voice over IP', instant messaging and web-based e-mail services (e.g., Whatsapp, Facebook, Messenger and Skype); these 'Over-the-Top communication services' ("OTTs") are not covered by the current directive.

Like the e-Privacy directive currently complements the data protection Directive 95/46/EC, the proposed e-Privacy regulation will specify and complement the GDPR.

State of play

One of the Juncker Commission's priorities is the completion of the digital single market (DSM), as the main objective of the European Commission's digital agenda, aiming to create the right environment for digital networks and services to flourish, by providing the right regulatory conditions. Reinforcing security and trust in digital services, which serves to create these conditions, requires strong European data protection and privacy rules to boost the EU digital economy and ensure fundamental rights protection. In line with the DSM strategy, which includes the revision of the e-Privacy Directive among its initiatives, the Commission published a proposal on 10 January 2017 (COM(2017) 10 final), for a 'regulation on the respect for private life and the protection of personal data in electronic communications'.

The aim is to reform the existing 2002 legislation to adapt the e-Privacy rules to the new technological reality, and to align them to the 2016 General Data Protection Regulation (GDPR). The objectives of the review are: enhancing communications security and confidentiality; defining clearer rules on tracking technologies such as cookies; and achieving greater harmonisation among Member States. The idea is to have the regulation adopted by 25 May 2018, when the GDPR enters into application, in order to provide citizens, companies and institutions with a consistent legal framework.