



REPUBLIC OF POLAND

MINISTER
OF ADMINISTRATION
AND DIGITIZATION

Michał Boni

Warsaw, 01st August 2013

BM-WSEW-0818-45/2013. HC

Mrs. Neelie Kroes
The Vice-President of the European
Commission

Mrs. Vice President, Dear Neeli,

I would like to thank you for the declaration of submitting the Digital Agenda package proposal early September. In the meantime, I dare to share some ideas regarding the crucial subjects which could be discussed during the European Council in October.

Let me draw your attention to the below described subjects:

1. Roaming. Latest regulation on roaming introduced further caps on roaming fees and decoupling, however its effectiveness in spurring competitiveness amongst mobile networks operators is questioned by many. Lack of good results in this area may hamper the internal market and realisation of the Digital Agenda goals¹. In this context, your recent proposal² on ending roaming charges seems to be justified, however telecoms concerns on loosing profits should be evaluated with due attention. Phone calls, text messages and especially data transfer, serving as basis of the most innovative sectors of the economy should be covered by the internal market rules.

2. Spectrum policy. Harmonisation of frequencies for certain uses at the EU level is in the long term a positive development. Wireless communications is increasingly important for European citizens and companies. In Poland, due to significant amount of rural and scarcely populated areas wireless communication can be an important way of bringing broadband to the society. We should consider more spectrum being dedicated to the wireless Internet.

3. Reducing costs of broadband deployment. Keeping in mind that a 10% increase in broadband penetration can result in 1-1,5% increase of GDP annually, we have already undertaken steps at the national level to reduce the costs of investment. Among others we have already introduced complex solutions for telecommunication and fiber infrastructure in buildings. We are glad to know that our experience has been useful to the Commission for drafting the *proposal for regulation on measures to reduce the cost of deploying high-speed*

¹ Regulation will expire in 2022;

² The precise legislative proposals on roaming and radio spectrum Policy will be presented by the VP N. Kroes before the European Council

electronic communications networks. Our opinion on the proposed regulation is generally positive and we look forward to working on it.³

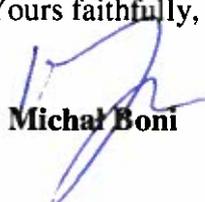
4. VAT on e-books. Differentiated VAT rates on paper books and e-books are unjustified, especially as e-books are more environmentally friendly. Higher tax rates lead to distortions of the internal market and impede Europe's competitiveness: our market is becoming dominated by non-European publishers, which may lead to marginalization of our publishers. Loss of competitiveness may in turn lead to turning Europeans into solely content consumers, and not content producers. Polish government took the decision that VAT rates should be equal for digital and physical version of like products, a postulate introduced into the "Strategy of Developing Social Capital until 2020". The European Commission could use it in its forthcoming communication and call on MSs to level the playing field among producers in the EU and elsewhere, in order to reduce tax disincentives for European producers.

5. Personal data protection. Lack of proper regulation impedes digital development and growth. This topic is sensitive to handle, therefore political will is needed to move things forward. Concluding work on the general regulation on data protection (through achieving agreement on consent on personal data processing, data profiling, definition of personal data and application of EU rules to third countries) is vital in at least three ways. Firstly, it will create trust amongst citizens and consumers necessary for e-business to flourish. Secondly, it will end costly market fragmentation: administrative burden associated with this fragmentation costs businesses around 2.3 billion EUR per year. Thirdly, it will send a clear message to the outside world on Europe's stance in the freedom of the Internet discussion. Poland is particularly active in this field, among others through intense public debate⁴ and high level of personal data protection in the national legislation. The European Council could give guidance on major ways forward with data protection regulation.

I would be very interested to know your opinion on the presented issues in order to schedule a dynamic discussion during the upcoming Council meetings and the European Council in October. We have also undertaken measures to build support with regard to these ideas among other Member States and institutions.

I'd be more than happy to provide you with more information, if needed.

Yours faithfully,



Michał Boni

Minister of Administration and Digitization

³ At the same time in the position of the PL government some doubts related to the use on the proportionality principle were raised. The in-depth analysis will be carried out in the course of the further proceeding.

⁴ The visit of the VP V. Reding in Warsaw, social consultations with the NGO's and business organisations