Was just saving this, so recirculating it in case parts needed for Turk meeting

From: Fiona Alexander  
Sent: Friday, October 26, 2012 4:52 PM  
To: Diane Steinour; Suzanne Radell; Jade Nester  
Cc: Sarah Jarman; Diane Cooper; Aaron Burstein  
Subject: RE: Revised: EU Kroes briefing sheet package

Here was the final in soft copy

From: Diane Steinour  
Sent: Friday, October 19, 2012 10:47 AM  
To: Fiona Alexander; Suzanne Radell; Jade Nester  
Cc: Sarah Jarman; Marsha MacBride; Diane Cooper  
Subject: Revised: EU Kroes briefing sheet package

Hi everyone,
This version reflects Jade’s wish to include GC Kerry’s LlBE testimony – now an attachment to package plus a cross-reference in the paragraph in the cover sheet. Otherwise complete except eventual additions from Suzanne. Many thanks to all!

From: Fiona Alexander  
Sent: Friday, October 19, 2012 10:42 AM  
To: Diane Steinour; Suzanne Radell; Jade Nester  
Cc: Sarah Jarman; Marsha MacBride; Diane Cooper  
Subject: RE: Draft EU Kroes briefing sheet package - need some language/review by noon Friday

Yep.

From: Diane Steinour  
Sent: Friday, October 19, 2012 10:10 AM  
To: Suzanne Radell; Jade Nester  
Cc: Fiona Alexander; Sarah Jarman; Marsha MacBride; Diane Cooper  
Subject: RE: Draft EU Kroes briefing sheet package - need some language/review by noon Friday

OK everyone – Jade sent in some revisions.  
I’ll make them then turn over the draft package COB today to Fiona, and Suzanne can provide any edits to Fiona when she returns.  
Hope that is an ok way to proceed?

From: Suzanne Radell  
Sent: Friday, October 19, 2012 9:54 AM  
To: Diane Steinour; Jade Nester  
Cc: Fiona Alexander; Sarah Jarman; Marsha MacBride; Diane Cooper  
Subject: RE: Draft EU Kroes briefing sheet package - need some language/review by noon Friday
Hi Diane, and thanks for sending out the draft text; I've begun drafting text for the highlighted sections and wanted to let you know that it will take me until later today to complete it, due to some meetings here in Toronto on my schedule.

Cheers, and safe travels, Suz

Suzanne Murray Radell  
Senior Policy Advisor  
NTIA/Office of International Affairs  
PH: 202-482-3167  
FX: 202-482-1865

From: Diane Steinour  
Sent: Thursday, October 18, 2012 4:26 PM  
To: Suzanne Radell; Jade Nester  
Cc: Fiona Alexander; Sarah Jarman; Marsha MacBride; Diane Cooper  
Subject: Draft EU Kroes briefing sheet package - need some language/review by noon Friday

Hi ladies,

I am trying to finish up this briefing package before I fly on Saturday.

Sarah and I have compiled several pdfs plus some attachments noting recent activities, press releases and speeches. The cover document also derives from the chat that Fiona, Sarah and I had with Kroes’s chef du cabinet, Thibaut Kleiner (who will come to DC). This denotes the topics most likely to be covered. I also discussed the topics yesterday with Beatrice Covassi, the EU digital counselor here in DC.

However, I only have placeholders for the NR. I’ve also did a very quick update on the privacy and NR matter only briefly. Could Jade and Suzanne please review the first two pages and provide any edits/updates/inserts for those bullets?  
**Please send in anything NLT Noon, Friday 10/19/12.** If Fiona and Marsha have anything to add, please let me know.

I will leave the package with Fiona electronically COB Friday.

Note also, that I have linked up Diane C. with Bettina and Beatrice to complete logistics arrangements in Sheila’s absence, and I will meet Beatrice on the 29th to escort them to LES office.

Many thanks, Diane
MEETING WITH EU COMMISSIONER NEELIE KROES

DATE: Monday October 29, 2012
TIME: 4:00 PM-5:00 PM
LOCATION: A/S Strickling’s Office, Room 4898
FROM: Fiona Alexander, Associate Administrator, OIA

ONE THING YOU MUST KNOW: The purpose of the meeting is to review the stay of play of issues related to [NR], and privacy and explore areas for further cooperation.

SUGGESTED POINTS TO MAKE IN THE MEETING:

Privacy: Increasing interoperability between the U.S. and EU data privacy frameworks is a key part of our privacy blueprint. Inquire as to the status in Brussels of the data protection directive/regulation and what role, if any, DG Connect will have going forward.

BACKGROUND: Commissioner Kroes is in Washington to participate in child safety awareness raising activities with Secretary Napolitano as part of the DHS National Cyber Security Awareness Month. Since her last visit, her directorate has changed from DG INFSO (Information Society and the Media) to DG CNECT: Communications Networks, Content & Technology. We understand this is not a realignment of policy priorities, but more a managerial approach to allow the research arm to better integrate with the policy functions. You may wish to congratulate her upon the award of the Nobel Peace Prize to the European Union and mention you look forward to seeing her in Baku as she is scheduled to attend the IGF.
EU Data Protection Regulation and Directive: The European Commission released a consultation copy of its revised privacy framework on January 25, 2012. The proposed framework includes a Regulation focusing on commercial data privacy, and a Directive focusing on law enforcement. The European Parliament will then deliberate on the revisions, with the expectation of implementation in 2014. During Ambassador Verveer’s January visit to Brussels, he was quoted regarding the U.S. White Paper as offering "a somewhat different approach" to the EU directive, and that we seek further consultations to reach interoperable approaches to ensure data protection. A Commerce spokesperson additionally conveyed that “we share the EU’s commitment to protecting individual privacy and continue our own efforts to preserve online privacy in the US. We look forward to working with the EU on the interoperability of our respective approaches, which will enhance consumer trust and promote the continued growth of the global internet economy.” In March 2012, then-Secretary Bryson and European Commissioner Reding issued a joint statement reaffirming their commitment to the U.S.-EU Safe Harbor agreement. On October 10, 2012 GC Cameron Kerry testified before the European Parliament’s LIBE committee regarding our privacy and commercial data protection views. His written submission addresses the USG’s concerns with the Europeans’ proposed directions, as shared in an earlier non-paper with the European Commission. (See Attachment 4, especially Section III of submission) (B) (S)

PARTICIPANTS
A/S Strickling
Marsha McBride
Fiona Alexander
Suzanne Radell
Diane Steinour
EU Commissioner Neely Kroes
Thibaut Kleiner, Member of Cabinet (Kroes)
Beatrice Covassi, EU Digital Attaché
ATTACHMENTS:
(1) NR
(2) Kroes’s recent speeches
(3) News Clippings
(4) General Counsel Kerry’s written submission to the European Parliament’s LIBE Committee 10/10/12

Drafted by: D. Steinour with input from Sarah Jarman, Jade Nester, and Suzanne Radell, DOC/NTIA/OIA x3180 10/19/12
ATTACHMENT THREE: NEWS CLIPPINGS

Despite debt crisis, European Union wins Nobel Peace Prize for fostering peace, democracy
By Associated Press, Updated: Friday, October 12, 9:12 AM

OSLO, Norway — The European Union has been awarded the Nobel Peace Prize for its efforts to promote peace and democracy in Europe, in the midst of the union’s biggest crisis since its creation in the 1950s.

The Norwegian prize committee said the EU received the award for six decades of contributions “to the advancement of peace and reconciliation, democracy and human rights in Europe. “The stabilizing part played by the European Union has helped to transform a once torn Europe from a continent of war to a continent of peace,” Nobel committee chairman Thorbjoern Jagland said.

The EU rose from the ashes of World War II, born of the conviction that ever closer economic ties would make sure that century-old enemies never turned on each other again.

The idea began to take on a more defined shape when, on May 9, 1950, French Foreign Minister Robert Schuman proposed that France and the Federal Republic of Germany pool their coal and steel resources in a new organization that other European countries could join.

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Secretary Napolitano Launches National Cyber Security Awareness Month 2012

Release Date: October 1, 2012
For Immediate Release
DHS Press Office
Contact: 202-282-8010

WASHINGTON—Secretary of Homeland Security Janet Napolitano today launched the ninth annual National Cyber Security Awareness Month.

“From the kitchen table to the classroom, from business transactions to essential government operations and services, cybersecurity is an issue that touches all of us,” said Secretary Napolitano. “To ensure our nation’s security in cyberspace, each of us must play our part. National Cyber Security Awareness Month reminds us that being safer and more secure online is a shared responsibility and we are urging the public and private sector to join DHS to ACT – ‘Achieve Cybersecurity Together.’”

As part of a Department of Homeland Security (DHS) effort to raise awareness about online safety across the nation, DHS National Protection and Programs Directorate Deputy Under Secretary for Cybersecurity Mark Weatherford today participated in a kick-off event with White
House Cybersecurity Coordinator Michael Daniel, and Nebraska Lieutenant Governor Rick Sheehy at the University of Nebraska at Omaha.

During National Cyber Security Awareness Month, DHS will call on all Americans to ACT—Achieve Cybersecurity Together. Each week throughout October, DHS leaders will visit various cities across the nation to raise awareness and educate Americans on cybersecurity. DHS recognizes that partnership and collaboration are crucial to ensuring that all Americans take responsibility for their actions online. To that end, DHS is continuing to grow the Stop.Think.Connect.™ Campaign, which is a year-round national public awareness campaign implemented in coordination with public and private sector stakeholders and designed to engage and challenge Americans to join the effort to practice and promote safe online practices.

October is designated as National Cybersecurity Awareness Month and is focused on engaging and educating Americans and the private sector about the importance of a safe and resilient cyberspace.

For more information, visit here. Review Date: October 1, 2012
http://www.dhs.gov/news/2012/10/01/sec...awareness-month
BACKGROUND
Those proposals open also the door to legitimate questions as to the future of multi-stakeholder organizations related to the Internet:

- Should policies ensuring unimpeded cross-border data flows be a priority in international trade negotiations?
The EU’s Digital Agenda chief warns time is running out for the Web’s standards body, W3C, to develop a tool good enough to help users protect their data against commercial interests.

DW.com Nina Haase 10/11/2012

It's not easy for companies to make money online - the number of people willing to pay for an online subscription remains relatively low.

Many internet companies, including newspapers, still tend to rely on people's clicks on ads to make their money.

The more targeted the ad, the more advertisers are willing to pay. And in order to target an ad, they use tracking tools, such as cookies.

Each time you click on an ad, or "like" something on Facebook, or read a particular newspaper article - your clicks are being converted into valuable consumer data.

But privacy-friendly regulators like the EU Commissioner for the Digital Agenda Neelie Kroes want it to be standard that users have to first give their consent before companies can collect and make use of any such personal data.

Kroes has, however, grown increasingly frustrated the World Wide Web Consortium (W3C), a Web standards body made up of 50 blue chip companies and some data privacy experts. She had tasked the W3C with developing an improved "Do Not Track" (DNT) tool to prevent companies from collecting data on Web users without consent - but now says it's dragging its heels.

Consent is required
On her blog, Kroes explains the idea behind DNT in the following way:
"If you log in to a web service, the cookie that remembers that you are logged in is fine - and indeed this makes our lives a whole lot easier online. But a cookie that is used to build a profile of what you are doing online is less OK: it might mean that your web surfing over time
Neelie Kroes has accused the W3C of watering down Do Not Track standards. Kroes had set the W3C a deadline of June to agree on new tracking standards. But they missed that deadline.

Finally, in early October, the W3C presented its draft for the DNT. But regulators were left disappointed - and Kroes was angry.

This Thursday (11.10.2012), Kroes accused the main players of watering down the tool. "Let me be frank: standardization work is not going according to plan," she said in a speech to business representatives in Brussels. "In fact, I am increasingly concerned about the delay and about the turn taken by the discussions hosted by the W3C."

**Issues left open**

Germany's highest data protection authority agrees that progress is weak.

"The W3C's draft left several issues open, including the definition of first-party cookies," said the federal data protection commission in a written statement to DW. [Editor: first-party cookies are set with the same domain as the one you're visiting and are often used to enhance the user experience.]

Jon Leibowitz, chairman of the US Federal Trade Commission, goes further, describing the W3C's draft on DNT as "a loophole you could drive a virtual truck through."

The draft suggests first-parties could be exempt from the DNT rule to guarantee users continue to experience a smooth time on the Web. But Germany's data protection commission warns the exemption should not include cookies from marketing companies.

Some companies like Microsoft have embraced DNT. The software and hardware maker has implemented DNT as the default setting on its web browser, Internet Explorer.

Every click you make - they'll be tracking you

Kroes has welcomed Microsoft's initiative - and that of other companies - but still wants DNT to become universal practice.

"Online privacy and online business need to go hand in hand. Privacy is a fundamental right, if your idea doesn't work with that, it won't work at all. People won't use what they don't trust," says Kroes. "And they will stop using what they learn to distrust. If that happens, online businesses miss out on a huge opportunity of new and bigger markets."

**Almost the final warning**
A DNT standard is due to be adopted by January 2013.

But advertising companies are seen as a strong lobby within the W3C, and Germany's data protection commission is worried, saying "the tool will probably fail to meet requirements set out by EU rules."

Meanwhile, colleagues close to Kroes say her patience is wearing thin. It is said she would prefer to achieve her goal of a working DNT through communication with the W3C.

However, if things continue the way they are now, her office has suggested that the final resort could be to change the EU's ePrivacy directive.

The directive is designed to help consumers become aware of the ways in which their data is collected online. It calls on website operators to obtain permission from users before they store or retrieve any personal data.

Currently, only national regulators can fine companies that flout the rules. But DW has been told the directive could be changed to allow the European Commission to impose its own fines.

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**Digital agenda commissioner Kroes pushes e-EU in Sofia**

Posted Sep 20 2012 by The Sofia Globe staff in Bulgaria, Business, Economy, EU, News

European Commissioner Neelie Kroes picked Bulgaria, a country with a spotty record in pursuing the European Union’s digital agenda, to deliver a speech on September 20 on the need to build a more interconnected and competitive EU for the digital era.

Kroes, visiting Bulgaria at the invitation of Prime Minister Boiko Borissov, spoke to a conference on the digital agenda, her portfolio in the European Commission, identifying three “ingredients for success”: fast broadband networks, digital skills, and investment in innovation.

“The EU needs fast broadband networks for everyone. Without that, none of the magic will happen. That’s why broadband, more than anything, stimulates the economy: 10 percentage points more broadband penetration means one to 1.5 per cent more growth,” she said.

“Here in Bulgaria, there’s still a way to go. Fewer than 40 per cent of households have any kind of broadband connection; in rural areas, only one in three people even have coverage.

Meanwhile, only one per cent of Bulgarians access 3G internet on their phone, just a fraction of the EU figure. All of those people are missing out on so much opportunity.”

Expanding broadband access was needed, which required not only investment in infrastructure, but also knocking down political and administrative hurdles.
“Procedures that are too cumbersome, or construction permits that are too hard to get, so that the digging for new networks can't even start. Improving that environment is well worth the effort,” she said.

In terms of digital skills, the EU was failing to produce enough IT professionals to satisfy demand – vacancies in the sector could reach 700,000 by 2015, she said – but also taking the digital technologies to the masses; almost half of Bulgaria’s population has never used the internet, she said.

To ensure future growth, more investment in innovation was needed. “The next generation of EU research funding, Horizon 2020, will take that even further. We’ve proposed 80 billion euro in funding. A simpler, less burdensome structure. Taking more risks to allow radical innovation. And with support for particular countries to build capacity. I hope that Member States can agree on this proposal, and agree to invest in our common future,” Kroes said.

Some of the criticism strikes close to home in Bulgaria, a country that has received plenty of criticism from the European Commission in the information technologies and communication sector since joining the bloc in 2007 – for delays in the implementation of the EU-wide 112 emergency number and failing to bring down voice costs for consumers, to name just two (progress in both areas has been made in recent years.)

Bulgaria is also one of the bloc’s laggards in implementing the switch to digital broadcasting, planning to ask the EC for a delay as the country struggles to free the necessary frequency spectrum. E-government, similarly, is still taking its first steps, although an ambitious programme is has been announced, which targets having more services online by the end of 2013.

For all that, Bulgaria has made progress in certain other areas – IT is one of its stronger industries as the country attempts to position itself as a strong destination for outsourcing, while the lack of stifling regulation in the 1990s has yielded a strong market for high-speed internet services (albeit not one that shows in EU statistics, which do not take into account LAN-based services, which dominate the local landscape, as providers of broadband internet).
European Commission
Press release
Brussels, 27 September 2012
Digital Agenda: New strategy to drive European business and government productivity via cloud computing

The European Commission's new strategy for "Unleashing the potential of cloud computing in Europe" outlines actions to deliver a net gain of 2.5 million new European jobs, and an annual boost of EUR 160 billion to EU GDP (around 1%), by 2020.

The strategy is designed to speed up and increase the use of cloud computing across the economy. 'Cloud computing' refers to the storage of data (such as text files, pictures and video) and software on remote computers, which users access over the internet on the device of their choice. This is faster, cheaper, more flexible and potentially more secure than on-site IT solutions. Many popular services such as Facebook, Spotify and web-based email use cloud computing technologies but the real economic benefits come through widespread use of cloud solutions by businesses and the public sector.

Key actions of the strategy include:
- Cutting through the jungle of technical standards so that cloud users get interoperability, data portability and reversibility; necessary standards should be identified by 2013;
- Support for EU-wide certification schemes for trustworthy cloud providers;
- Development of model 'safe and fair' contract terms for cloud computing contracts including Service Level Agreements;
- A European Cloud Partnership with Member States and industry to harness the public sector's buying power (20% of all IT spending) to shape the European cloud market, boost the chances for European cloud providers to grow to achieve a competitive scale, and deliver cheaper and better eGovernment.

Vice-President Neelie Kroes said: "Cloud computing is a game-changer for our economy. Without EU action, we will stay stuck in national fortresses and miss out on billions in economic gains. We must achieve critical mass and a single set of rules across Europe. We must tackle the perceived risks of cloud computing head-on."

Vice-President Viviane Reding said: "Europe needs to think big. The cloud strategy will enhance trust in innovative computing solutions and boost a competitive digital single market where Europeans feel safe. That means a swift adoption of the new data protection framework which the Commission proposed earlier this year and the development of safe and fair contract terms and conditions."

Background
Today's strategy announcement follows the Commission's 2012 proposal to update the Data Protection rules and comes ahead of a European Strategy for Cyber Security to be proposed in the coming months. The development of such European cloud rules is a precondition for the seamless digital space that will bring us a true Digital Single Market. Together these actions form a comprehensive effort to deliver a dynamic and trusted internet environment in Europe.
The benefits of the Cloud come from its economies of scale. 80% of organisations adopting cloud computing achieve cost savings of at least 10-20%. Also significant productivity gains are to be expected if wide adoption across all sectors of the economy can be achieved.

Today, in the absence of common standards and clear contracts, many potential users are deterred from adopting cloud solutions. They are not sure what standards and certificates they should look for to meet their requirements and legal obligations, for example to ensure that their own or their customers' data is safe or that applications are interoperable. Cloud providers and users are also looking for clearer rules when it comes to the delivery of cloud services, for example regarding the question where legal disputes will be resolved or how to make sure that it will be easy to move data and software between different cloud providers.
Hi Sandrine,

I caught 3 typos in points 4 and 5: binding corporate rules, not biding. Fair Information practice principles, not fare. NSTIC, not “in stake.”

Thank you,

Jade
From: Diane Steinour
To: Suzanne Radell; Jade Nester
Cc: Fiona Alexander; Sarah Jarman; Marsha MacBride; Diane Cooper
Subject: RE: Draft EU Kroes briefing sheet package - need some language/review by noon Friday
Date: Friday, October 19, 2012 10:09:36 AM

OK everyone – Jade sent in some revisions. I’ll make them then turn over the draft package COB today to Fiona, and Suzanne can provide any edits to Fiona when she returns. Hope that is an ok way to proceed?

From: Suzanne Radell
Sent: Friday, October 19, 2012 9:54 AM
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Cheers, and safe travels, Suz

Suzanne Murray Radell
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NTIA/Office of International Affairs
PH: 202-482-3167
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Cc: Fiona Alexander; Sarah Jarman; Marsha MacBride; Diane Cooper
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Sarah and I have compiled several pdfs plus some attachments noting recent activities, press releases and speeches. The cover document also derives from the chat that Fiona, Sarah and I had with Kroes’s chef du cabinet, Thibaut Kleiner (who will come to DC). This denotes the topics most likely to be covered. I also discussed the topics yesterday with Beatrice Covassi, the EU digital counselor here in DC.

However, I only have placeholders for the results of the NR matter only briefly. I’ve also did a very quick update on the privacy and raised the NR matter only briefly. Could Jade and Suzanne please review the first two pages and provide any edits/updates/inserts for those bullets?
Please send in anything NLT Noon, Friday 10/19/12. If Fiona and Marsha have anything to add, please let me know.

I will leave the package with Fiona electronically COB Friday.

Note also, that I have linked up Diane C. with Bettina and Beatrice to complete logistics arrangements in Sheila’s absence, and I will meet Beatrice on the 29th to escort them to LES office.

Many thanks, Diane
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FROM: Fiona Alexander, Associate Administrator, OIA

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SUGGESTED POINTS TO MAKE IN THE MEETING:

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BACKGROUND: Commissioner Kroes is in Washington to participate in child safety awareness raising activities with Secretary Napolitano as part of the DHS National Cyber Security Awareness Month. Since her last visit, her directorate has changed from DG INFSO (Information Society and the Media) to DG CNECT: Communications Networks, Content & Technology. We understand this is not a realignment of policy priorities, but more a managerial approach to allow the research arm to better integrate with the policy functions. You may wish to congratulate her upon the award of the Nobel Peace Prize to the European Union and mention you look forward to seeing her in Baku as she is scheduled to attend the IGF.
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PARTICIPANTS
A/S Strickling
Marsha McBride
Fiona Alexander
Suzanne Radell
Diane Steinour

EU Commissioner Neely Kroes
Thibaut Kleiner, Member of Cabinet (Kroes)
Beatrice Covassi, EU Digital Attaché
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Drafted by: D. Steinour with input from Sarah Jarman, Jade Nester, and Suzanne Radell, DOC/NTIA/OIA x3180 10/19/12
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Those proposals open also the door to legitimate questions as to the future of multi-stakeholder organizations related to the Internet:

- Should policies ensuring unimpeded cross-border data flows be a priority in international trade negotiations?
The EU’s Digital Agenda chief warns time is running out for the Web's standards body, W3C, to develop a tool good enough to help users protect their data against commercial interests.

DW.com Nina Haase 10/11/2012

It's not easy for companies to make money online - the number of people willing to pay for an online subscription remains relatively low.

Many internet companies, including newspapers, still tend to rely on people's clicks on ads to make their money.

The more targeted the ad, the more advertisers are willing to pay. And in order to target an ad, they use tracking tools, such as cookies.

Each time you click on an ad, or "like" something on Facebook, or read a particular newspaper article - your clicks are being converted into valuable consumer data.

But privacy-friendly regulators like the EU Commissioner for the Digital Agenda Neelie Kroes want it to be standard that users have to first give their consent before companies can collect and make use of any such personal data.

Kroes has, however, grown increasingly frustrated the World Wide Web Consortium (W3C), a Web standards body made up of 50 blue chip companies and some data privacy experts. She had tasked the W3C with developing an improved "Do Not Track" (DNT) tool to prevent companies from collecting data on Web users without consent - but now says it's dragging its heels.

**Consent is required**

On her blog, Kroes explains the idea behind DNT in the following way:

"If you log in to a web service, the cookie that remembers that you are logged in is fine - and indeed this makes our lives a whole lot easier online. But a cookie that is used to build a profile of what you are doing online is less OK: it might mean that your web surfing over time
(searches, web pages visited, the content viewed, etc.) is tracked, for example, in order to match ads against your interests as determined from the profile. The use of such cookies requires your consent."

Neelie Kroes has accused the W3C of watering down Do Not Track standards Kroes had set the W3C a deadline of June to agree on new tracking standards. But they missed that deadline.

Finally, in early October, the W3C presented its draft for the DNT. But regulators were left disappointed - and Kroes was angry.

This Thursday (11.10.2012), Kroes accused the main players of watering down the tool. "Let me be frank: standardization work is not going according to plan," she said in a speech to business representatives in Brussels. "In fact, I am increasingly concerned about the delay and about the turn taken by the discussions hosted by the W3C."

**Issues left open**

Germany's highest data protection authority agrees that progress is weak.

"The W3C's draft left several issues open, including the definition of first-party cookies," said the federal data protection commission in a written statement to DW. [Editor: first-party cookies are set with the same domain as the one you're visiting and are often used to enhance the user experience.]

Jon Leibowitz, chairman of the US Federal Trade Commission, goes further, describing the W3C's draft on DNT as "a loophole you could drive a virtual truck through."

The draft suggests first-parties could be exempt from the DNT rule to guarantee users continue to experience a smooth time on the Web. But Germany's data protection commission warns the exemption should not include cookies from marketing companies.

Some companies like Microsoft have embraced DNT. The software and hardware maker has implemented DNT as the default setting on its web browser, Internet Explorer.

Every click you make - they'll be tracking you

Kroes has welcomed Microsoft's initiative - and that of other companies - but still wants DNT to become universal practice.

"Online privacy and online business need to go hand in hand. Privacy is a fundamental right, if your idea doesn't work with that, it won't work at all. People won't use what they don't trust," says Kroes. "And they will stop using what they learn to distrust. If that happens, online businesses miss out on a huge opportunity of new and bigger markets."

**Almost the final warning**
A DNT standard is due to be adopted by January 2013.

But advertising companies are seen as a strong lobby within the W3C, and Germany's data protection commission is worried, saying "the tool will probably fail to meet requirements set out by EU rules."

Meanwhile, colleagues close to Kroes say her patience is wearing thin. It is said she would prefer to achieve her goal of a working DNT through communication with the W3C.

However, if things continue the way they are now, her office has suggested that the final resort could be to change the EU's ePrivacy directive.

The directive is designed to help consumers become aware of the ways in which their data is collected online. It calls on website operators to obtain permission from users before they store or retrieve any personal data.

Currently, only national regulators can fine companies that flout the rules. But DW has been told the directive could be changed to allow the European Commission to impose its own fines.

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Digital agenda commissioner Kroes pushes e-EU in Sofia
Posted Sep 20 2012 by The Sofia Globe staff in Bulgaria, Business, Economy, EU, News
European Commissioner Neelie Kroes picked Bulgaria, a country with a spotty record in pursuing the European Union’s digital agenda, to deliver a speech on September 20 on the need to build a more interconnected and competitive EU for the digital era.

Kroes, visiting Bulgaria at the invitation of Prime Minister Boiko Borissov, spoke to a conference on the digital agenda, her portfolio in the European Commission, identifying three “ingredients for success”: fast broadband networks, digital skills, and investment in innovation.

“The EU needs fast broadband networks for everyone. Without that, none of the magic will happen. That’s why broadband, more than anything, stimulates the economy: 10 percentage points more broadband penetration means one to 1.5 per cent more growth,” she said.

“Here in Bulgaria, there’s still a way to go. Fewer than 40 per cent of households have any kind of broadband connection; in rural areas, only one in three people even have coverage.

Meanwhile, only one per cent of Bulgarians access 3G internet on their phone, just a fraction of the EU figure. All of those people are missing out on so much opportunity.”

Expanding broadband access was needed, which required not only investment in infrastructure, but also knocking down political and administrative hurdles.
“Procedures that are too cumbersome, or construction permits that are too hard to get, so that the digging for new networks can’t even start. Improving that environment is well worth the effort,” she said.

In terms of digital skills, the EU was failing to produce enough IT professionals to satisfy demand – vacancies in the sector could reach 700,000 by 2015, she said – but also taking the digital technologies to the masses; almost half of Bulgaria’s population has never used the internet, she said.

To ensure future growth, more investment in innovation was needed. “The next generation of EU research funding, Horizon 2020, will take that even further. We’ve proposed €80 billion in funding. A simpler, less burdensome structure. Taking more risks to allow radical innovation. And with support for particular countries to build capacity. I hope that Member States can agree on this proposal, and agree to invest in our common future,” Kroes said.

Some of the criticism strikes close to home in Bulgaria, a country that has received plenty of criticism from the European Commission in the information technologies and communications sector since joining the bloc in 2007 – for delays in the implementation of the EU-wide 112 emergency number and failing to bring down voice costs for consumers, to name just two (progress in both areas has been made in recent years.)

Bulgaria is also one of the bloc’s laggards in implementing the switch to digital broadcasting, planning to ask the EC for a delay as the country struggles to free the necessary frequency spectrum. e-government, similarly, is still taking its first steps, although an ambitious programme is has been announced, which targets having more services online by the end of 2013.

For all that, Bulgaria has made progress in certain other areas – IT is one of its stronger industries as the country attempts to position itself as a strong destination for outsourcing, while the lack of stifling regulation in the 1990s has yielded a strong market for high-speed internet services (albeit not one that shows in EU statistics, which do not take into account LAN-based services, which dominate the local landscape, as providers of broadband internet).
EUROPEAN COMMISSION
PRESS RELEASE

Brussels, 27 September 2012

Digital Agenda: New strategy to drive European business and government productivity via cloud computing

The European Commission's new strategy for "Unleashing the potential of cloud computing in Europe" outlines actions to deliver a net gain of 2.5 million new European jobs, and an annual boost of EUR 160 billion to EU GDP (around 1%), by 2020.

The strategy is designed to speed up and increase the use of cloud computing across the economy. 'Cloud computing' refers to the storage of data (such as text files, pictures and video) and software on remote computers, which users access over the internet on the device of their choice. This is faster, cheaper, more flexible and potentially more secure than on-site IT solutions. Many popular services such as Facebook, Spotify and web-based email use cloud computing technologies but the real economic benefits come through widespread use of cloud solutions by businesses and the public sector.

Key actions of the strategy include:

- Cutting through the jungle of technical standards so that cloud users get interoperability, data portability and reversibility; necessary standards should be identified by 2013;
- Support for EU-wide certification schemes for trustworthy cloud providers;
- Development of model 'safe and fair' contract terms for cloud computing contracts including Service Level Agreements;
- A European Cloud Partnership with Member States and industry to harness the public sector's buying power (20% of all IT spending) to shape the European cloud market, boost the chances for European cloud providers to grow to achieve a competitive scale, and deliver cheaper and better eGovernment.

Vice-President Neelie Kroes said: "Cloud computing is a game-changer for our economy. Without EU action, we will stay stuck in national fortresses and miss out on billions in economic gains. We must achieve critical mass and a single set of rules across Europe. We must tackle the perceived risks of cloud computing head-on."

Vice-President Viviane Reding said: "Europe needs to think big. The cloud strategy will enhance trust in innovative computing solutions and boost a competitive digital single market where Europeans feel safe. That means a swift adoption of the new data protection framework which the Commission proposed earlier this year and the development of safe and fair contract terms and conditions."

Background
Today's strategy announcement follows the Commission's 2012 proposal to update the Data Protection rules and comes ahead of a European Strategy for Cyber Security to be proposed in the coming months. The development of such European cloud rules is a precondition for the seamless digital space that will bring us a true Digital Single Market. Together these actions form a comprehensive effort to deliver a dynamic and trusted internet environment in Europe.
The benefits of the Cloud come from its economies of scale. 80% of organisations adopting cloud computing achieve cost savings of at least 10-20%. Also significant productivity gains are to be expected if wide adoption across all sectors of the economy can be achieved.

Today, in the absence of common standards and clear contracts, many potential users are deterred from adopting cloud solutions. They are not sure what standards and certificates they should look for to meet their requirements and legal obligations, for example to ensure that their own or their customers' data is safe or that applications are interoperable. Cloud providers and users are also looking for clearer rules when it comes to the delivery of cloud services, for example regarding the question where legal disputes will be resolved or how to make sure that it will be easy to move data and software between different cloud providers.
Here was the final in soft copy

From: Diane Steinour  
Sent: Friday, October 19, 2012 10:47 AM  
To: Fiona Alexander; Suzanne Radell; Jade Nester  
Cc: Sarah Jarman; Marsha MacBride; Diane Cooper  
Subject: Revised: EU Kroes briefing sheet package

Hi everyone,  
This version reflects Jade’s wish to include GC Kerry’s LIBE testimony – now an attachment to package plus a cross-reference in the paragraph in the cover sheet. Otherwise complete except eventual additions from Suzanne. Many thanks to all!

From: Fiona Alexander  
Sent: Friday, October 19, 2012 10:42 AM  
To: Diane Steinour; Suzanne Radell; Jade Nester  
Cc: Sarah Jarman; Marsha MacBride; Diane Cooper  
Subject: RE: Draft EU Kroes briefing sheet package - need some language/review by noon Friday

Yep.

From: Diane Steinour  
Sent: Friday, October 19, 2012 10:10 AM  
To: Suzanne Radell; Jade Nester  
Cc: Fiona Alexander; Sarah Jarman; Marsha MacBride; Diane Cooper  
Subject: RE: Draft EU Kroes briefing sheet package - need some language/review by noon Friday

OK everyone – Jade sent in some revisions.  
I’ll make them then turn over the draft package COB today to Fiona, and Suzanne can provide any edits to Fiona when she returns.  
Hope that is an ok way to proceed?

From: Suzanne Radell  
Sent: Friday, October 19, 2012 9:54 AM  
To: Diane Steinour; Jade Nester  
Cc: Fiona Alexander; Sarah Jarman; Marsha MacBride; Diane Cooper  
Subject: RE: Draft EU Kroes briefing sheet package - need some language/review by noon Friday

Hi Diane, and thanks for sending out the draft text; I’ve begun drafting text for the highlighted sections and wanted to let you know that it will take me until later today to complete it, due to some meetings here in Toronto on my schedule.

(b) (5) Cheers, and safe travels, Suz
Hi ladies,

I am trying to finish up this briefing package before I fly on Saturday.

Sarah and I have compiled several pdfs plus some attachments noting recent activities, press releases and speeches. The cover document also derives from the chat that Fiona, Sarah and I had with Kroes’s chef du cabinet, Thibaut Kleiner (who will come to DC). This denotes the topics most likely to be covered. I also discussed the topics yesterday with Beatrice Covassi, the EU digital counselor here in DC.

However, I only have placeholders for the results of the HLM and the GAC meetings. I’ve also did a very quick update on the privacy and raised the Free Trade Agreement matter only briefly. Could Jade and Suzanne please review the first two pages and provide any edits/updates/inserts for those bullets?

Please send in anything NLT Noon, Friday 10/19/12. If Fiona and Marsha have anything to add, please let me know.

I will leave the package with Fiona electronically COB Friday.

Note also, that I have linked up Diane C. with Bettina and Beatrice to complete logistics arrangements in Sheila’s absence, and I will meet Beatrice on the 29th to escort them to LES office.

Many thanks, Diane
Did you get a chance to look at this.

Hi Sandrine,

I caught 3 typos in points 4 and 5: binding corporate rules not binding. Fair Information practice principles not fair. NSTIC not in stake.

Thank you

Jade
Hi Sandrine,

I caught 3 typos in points 4 and 5: binding corporate rules, not biding. Fair Information practice principles, not fare. NSTIC, not “in stake.”

Thank you,

Jade
And the Joint Statement:

Today’s High Level Conference on Privacy and Protection of Personal Data, held simultaneously in Washington and Brussels with the participation of Vice-President Viviane Reding and Secretary John Bryson, represents an important opportunity to deepen our transatlantic dialogue on commercial data privacy issues. The United States and the European Union clearly share a commitment to promoting the rights of individuals to have their personal data protected and to facilitating interoperability of our commercial data privacy regimes. The European Union and the United States are global leaders in protecting individual freedoms, including privacy, while at the same time fostering innovation and trade that are so critical to the world economy, notably in the present times. Stronger transatlantic cooperation in the field of data protection will enhance consumer trust and promote the continued growth of the global Internet economy and the evolving digital transatlantic common market. This work will also encourage innovation and entrepreneurship and support the jobs and growth agenda as outlined by President Obama and Presidents Van Rompuy and Barroso at the November 28, 2011 U.S.-EU Summit.

It was in the “informal comment” on the Regulation:

**Informal Comment of the United States of America on the Proposal for a Regulation of the European Parliament and of the Council**

The United States and Europe are committed to encouraging innovation, entrepreneurship, and supporting jobs and growth. President Obama and Presidents Van Rompuy and Barroso affirmed this goal at the November 28, 2011 U.S.-EU Summit (“Summit”). On March 19, 2012, Department of Commerce Secretary Bryson and European Commission Vice President Reding, in their “Joint Statement on Privacy,” underscored the goals of the Summit, and emphasized that the U.S. and EU share a commitment to promoting the rights of individuals to have their personal data protected and to facilitating interoperability of our commercial data privacy frameworks.

Jade Nester
National Telecommunications and Information Administration
U.S. Department of Commerce
1.202.482.2560
From: Jade Nester [mailto:JNester@ntia.doc.gov]
Sent: Friday, August 17, 2012 4:33 PM
To: Krysten Jenci; Caitlin Fennessy; David Ritchie
Subject: FW: US-EU HLWG - Meeting on Services & Investment

FYI- part of this document mentions US/EU cross-border data flows.

-Jade

From: Diane Steinour
Sent: Friday, August 17, 2012 2:58 PM
To: Jade Nester
Subject: FW: US-EU HLWG - Meeting on Services & Investment

I’ve put this on my calendar but wanted you (and your gang) to be fully aware of this, as the pros/cons statement delves into privacy and cross-border data flow challenges.

From: Fiona Alexander
Sent: Thursday, August 16, 2012 11:58 AM
To: Diane Steinour
Subject: FW: US-EU HLWG - Meeting on Services & Investment
I’ve put this on my calendar but wanted you (and your gang) to be fully aware of this, as the pros/cons statement delves into privacy and cross-border data flow challenges.

From: Fiona Alexander
Sent: Thursday, August 16, 2012 11:58 AM
To: Diane Steinour
Subject: FW: US-EU HLWG - Meeting on Services & Investment
2 Pages

Withheld in its entirety for Referral to Another Agency