

**Minutes of the 4 July 2006 Meeting of the
Strategic Advisory Board**

*Delegate Chairman Jean-Michel **Hubert** convened the
Strategic Advisory Board on Information Technologies (CSTI)*

The minutes propose to detail the discussions fuelled by the presentations on the agenda rather than provide a full account of the presentations.

Participating Members at the Board Meeting:

Mr. Jean-Pierre Corniou; Mr. Michel Dahan; Mr. Claude Satinet

Excused Members:

Mr. Jean-François Abramatic; Mr. Alain Bravo; Mr. Patrick Cocquet; Mr. Michel Didier; Mr. Claude Guéguen; Mr. Yves Guillemot; Mrs. Simone Halberstadt Harari; Mr. Jean-Charles Hourcade; Mr. Daniel Kaplan; Mr. Philippe Lemoine; Mr. André Lévy-Lang; Mrs. Colette Lewiner; Mr. Joël Monnier; Mr. Jean Mounet; Mr. Grégoire Olivier; Mrs. Isabelle Parize; Mr. François-Henri Pinault; Mr. Denis Ranque; Mr. Gérard Roucairol; Mr. Jacques Stern

The following people attended:

Mr. Olivier Ou Ramdane, the Prime Minister's Office
Mr. Laurent Soulier, Office of the Minister Delegate in charge of Industry

The following people also attended:

Mrs. Delphine Grison, representing Mr. Arnaud Lagardère
Mr. Jean-Pierre Paoli, representing Mr. Patrick Le Lay
Mrs. Sylvie Forbin, representing Mr. Jean-Bernard Lévy
Mr. Pierre-Antoine Badoz, representing Mr. Didier Lombard
Mr. Emmanuel Forest, representing Mr. Gilles Péliссon
Mrs. Martine Lapierre, representing Mr. Serge Tchuruk

Opening Remarks by Delegate Chairman Jean-Michel Hubert

At the preceding Board meeting of 24 April 2006, a note on the Draft Memorandum was submitted to the Members' opinion.

The actual Draft Memorandum was submitted to the Board Members for their analyses and insights on the paper.

European Digital Memorandum - Presentation by Mr. Emmanuel Gabla

The Draft Memorandum was presented and the 29 related measures were developed and explained.

Discussion:

- The overall quality of the paper was noted. Its relevant well-argued approach to mobile television was especially underscored.

- Various speakers suggested the inclusion of complementary information and further developments in the Draft Memorandum on the following points.

* The “*digital divide*”, which does not only apply to a geographical divide but also to a divide between older persons and young people. For a period of several years, older persons often have substantial financial means, decreasing mobility, and so on whereas their digital needs are far from being met. The point is to provide support to IT uses for older persons and to development and creativity for the young. At the same time, the scarcity of trained young developers, especially in the Open Source World, in the European Union was noted. Addressing this issue could help decrease social compensation costs due to ageing.

* Mobile high-speed, especially because it is linked to the digital divide, on the one hand, and to health-related on-body sensors, on the other - Also, mobile high-speed will be increasingly used for machine-to-machine communications, a factor that will be essential in lowering and controlling healthcare costs.

* Non-digital radio that is the very first mobility and diversity media

* Cultural diversity: the paper lacks a strong guideline in this area. Actually the obstacles to trans-border broadcasting do not seem to be those identified by the draft memorandum (i.e., the lack of a one-stop European Union window, of a European Union licence, and so on)

* Consumers' place

* Digital Rights Management, DRM

* The lowering or even elimination of the Value Added Tax on new innovative services (although there is not a unanimous position on this issue nationwide) because the tax impedes the growth of new services in Europe – Reminder: the United States has established a moratorium on Internet sales tax, which is still in effect.

* The operations and control of the European Patent Office, causing special difficulties

- Broadening the scope of universal service to include mobile service is being challenged. It would be advisable to promote self-regulation first, and then regulation if this method fails and does not properly meet the goal of territorial coverage.

- The three following amendments were submitted to the Draft Memorandum, i.e.,

* In the first proposal in the chapter called “preparing tomorrow’s infrastructures”:
“... *Ensure ... that the framework ... promotes* (rather than: “*does not impede*”) *investment in the networks...*”

- * Broaden the proposal, “*lower entry barriers to develop competition for very high-speed technologies*” so that it becomes “*reach a very high level of competition for very-high-speed technologies throughout the European Union,*” and,
 - * Enhance the last proposal in the chapter, “*facilitate the changes of television services: ... via this method, free a harmonised and contiguous frequency band throughout Europe,*” in the following way: “*optimise spectrum use, by freeing a contiguous frequency band, used in a harmonised manner, throughout Europe.*”
- A suggestion was made to include extant or ongoing initiatives to strengthen the proposals in the document and integrate them into an already extant growth-promoting topic, viz.,
- * European Commissioner for Information Society and Media, Viviane **Reding**, is organising a “*Safer Internet Day,*” which could be added to the Memorandum paragraph on “*Safety and Trust.*”
 - * Another initiative on “digital contents” also organised by Ms. Reding
 - * On security related aspects, especially the protection of minors, the Charter that was recently signed in Cannes
- The upcoming in-depth changes on the Web that, to date, is still divided between the “*Web for getting information*” and the “*Web for buying products and services*” were underscored: tomorrow the home, healthcare and office will be “on Google,” without any individual funding.

This marks a strong trend in uses and technology financing.

The Members and their representatives pointedly called attention to the fact that Google, which has become a general access provider, is the toughest competitor facing European Union telecommunication operators.

However, the European Union is not paying enough attention to this trend. Telecommunications are governed by regulation and control but Google, with a virtual monopoly in the field, has a free rein. This is a major issue that warrants alerting the Commission to the fact that e-Bay or Google are not subject to the same control, for instance.

Earlier CSTI work should be made available to the European Union so that it can act in these areas, by developing a single measure, for instance.

Conclusions on the draft European Digital Memorandum

Mr. Jean-Michel Hubert:

The Board Members were asked to send him any additional remarks they might have on the Draft European Memorandum within the days following the meeting.

The relation with the ongoing work on mobile television and with other CSTI activities, especially “*Tomorrow’s Internet*” was especially noteworthy.

Mr. Olivier Ou Ramdane, Advisor to the Prime Minister:

He pointed out that the Memorandum was of particular strategic importance for the Prime Minister. Mr. François **Loos** has been put in charge of the paper that must meet one requirement, i.e., the content must include operational and material proposals that translate into visible and durable action over the upcoming months. He informed the meeting that an executive summary of the Memorandum would be drafted.

Aside from this initiative, strategic reflection on these issues had a prominent place. As an Advisory Board to the Prime Minister, the CSTI’s purpose was to address the issues collectively to provide food for political thought.

He suggested that the work continue on into September-October 2006 when the highest level of the State would certainly take a public stand on the issues.

Accordingly, the Memorandum was a very important document, an influence paper. The European Union must establish a new market position so that it can weigh in on global competition.

He thanked the CSTI Members for their comments that he thought were extremely productive and relevant.