

## EU INSTITUTIONS POSE THREAT TO INTERNET ECONOMY OF EUROPE

**BRUSSELS (24 April 2009) - A united front of media and advertising industry organisations is calling on the EU institutions locked into protracted Trialogue negotiations to see sense and reject harmful wording which would hamper existing and new business models online. Furthermore, not only are the latest proposals disproportionate and ill advised, they also risk undermining the comprehensive and collaborative approach to dealing with the privacy issues envisaged by the institutions.**

As part of the telecom reforms package a small minority of MEPs is championing amendments requiring a special notification when a cookie is placed. As a reminder, cookies are just small pieces of text and/or numbers, stored on a user's computer by a web browser, containing the user's settings, shopping cart contents, or other data used by websites to function efficiently, such as for authentication purposes, to help remember user names, passwords, choices of languages or family-safe modes, as well as to personalize content.

Neither the Parliament nor national governments have conducted a prior impact assessment of the economic or legal impact of new rules on cookies.

Under the new proposals, users would either have opt-in to accept use of cookies or require web sites to pop up windows for users every time they visit. This would slow the user experience and disrupt Internet usage. Such a measure is impractical and will upset users, and unnecessary since the law already foresees that web sites provide users with clear and precise information about the purposes of the cookies they use. Users can also manage cookies through the settings of a browser or other applications.

The Advertising Information Group, European Association of Communication Agencies, the European Newspaper Publishers' Association, the European Publishers' Council, the European Federation of Magazine Publishers, the Federation of European Direct and Interactive Marketing, the World Federation of Advertisers, the Interactive Advertising Bureau Europe and EuroISPA have joined together to fight against these changes. Speaking on behalf of the European Publishers Council, the organization's Chairman Francisco Pinto Balsemão said: "Users would be faced with repeated pop-up or virtual windows every time they visit a web page. This will not only slow down the provision of Internet services and diminishing the user experience, but impact negatively the further uptake of mobile internet, where functionality is key to the user experience."

He continued: "There is a grave danger that the wrong decision will be taken in the mistaken belief that this will improve consumer protection when all it will do is wreak economic damage to our businesses online. The result will be a meaningless click-through exercise that puts European industry into a competitive disadvantage. Industry shares the EU's objective of preserving trust in the digital market place. But it is important that MEPs, governments and the Commission recognise that cookies play an essential, harmless role in supporting the technology behind our online business models and at the same time are positively helpful in terms of the user-experience."

In an effort to reach agreement on the overall telecoms package, these last minute changes could sacrifice the interest of the media and advertising businesses, consumers and the Internet economy as a whole.

*End*

**For further information about cookies see below**

Cookies have several roles:

1. Protection - to ensure you are a genuine visitor and not someone else using your password.
2. Authenticate and speed up your identification and e-commerce transactions, e.g. “remember” user names and passwords for websites for fast log-in.
3. Store preferences, such as languages or family safe modes.
4. Cap the frequency of advertising and to ensure that advertisements are rotated and not duplicated during any one visit to a site, and are relevant.

Recognising that education of users, and indeed policy makers, about cookies is essential, the IAB Europe set up already in 2001 a website <http://www.allaboutcookies.org> to increase users’ knowledge of their online safety and to provide practical information about how to set your browser to control cookies.

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**Notes to Editors**

*EuroISPA is the world’s largest association of Internet Service Providers (ISPs), representing the interests of more than 1500 ISPs across the EU. With a Secretariat in Brussels, EuroISPA is a major voice of the Internet industry on information society subjects such as cybercrime, data protection, e-commerce regulation, EU telecommunications law and safe use of the Internet. Further information about the organisation (including its composition, aims and position papers) is available from its website: <http://www.euroispa.org>.*