



2018/0110(COD)

30.8.2018

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DRAFT REPORT

on the proposal for a regulation of the European Parliament and of the Council on the implementation and functioning of the .eu top level domain name and repealing Regulation (EC) No 733/2002 and Commission Regulation (EC) No 874/2004

(COM(2018)0231 – C8-0170/2018 – 2018/0110(COD))

Committee on Industry, Research and Energy

Rapporteur: Fredrick Federley

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ■ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council on the implementation and functioning of the .eu top level domain name and repealing Regulation (EC) No 733/2002 and Commission Regulation (EC) No 874/2004 (COM(2018)0231 – C8-0170/2018 – 2018/0110(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2018)0231),
 - having regard to Article 294(2) and Article 172 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0170/2018),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 11 July 2018¹,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy (A8-0000/2018),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation

Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) The rapid evolution of the top-level domains (TLDs) market and the dynamic digital landscape require a future-proof and flexible regulatory environment,

¹ Not yet published in the Official Journal.

*enabling the promotion of Union values
and priorities online;*

Or. en

Amendment 2

Proposal for a regulation Recital 1 b (new)

Text proposed by the Commission

Amendment

(1b) The existence of a specific domain name for the European Union under a very clear and identifiable common label is an important and valuable building block for the European online identity;

Or. en

Amendment 3

Proposal for a regulation Recital 2 a (new)

Text proposed by the Commission

Amendment

(2a) The .eu TLD is the eighth largest country code TLD in the world with over 3.8 million registrations in 2017. The .eu TLD is used by all the Union institutions, agencies and bodies, including for their projects and initiatives;

Or. en

Amendment 4

Proposal for a regulation Recital 4

Text proposed by the Commission

(4) The .eu TLD should provide a clearly identified link with the Union and the European market place. It should enable undertakings, **organisations and natural persons *within the Union*** to register a domain name under the .eu TLD. Union citizens should be allowed to register a .eu domain name, regardless of their place of residence.

Amendment

(4) The .eu TLD should provide a clearly identified link with the Union and the European market place, ***creating a strong identity for the digital single market, subject to Union law and trading standards***. It should enable undertakings **and organisations *established within the Union***, and natural persons ***who are residents of a Member State*** to register a domain name under the .eu TLD. Union citizens should be allowed to register a .eu domain name, regardless of their place of residence.

Or. en

Amendment 5

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) The Commission should, on the basis of an open, transparent and non-discriminatory selection procedure, designate a Registry for the .eu TLD. ***The Commission should enter into a contract with the selected Registry which should include the detailed principles and procedures applying to the Registry for the organisation, administration and management of the .eu TLD. The contract should be limited in time and renewable.***

Amendment

(9) The Commission should, on the basis of an open, transparent and non-discriminatory selection procedure, designate a Registry for the .eu TLD. ***In order to establish the criteria for the designation of a Registry and an open, transparent and non-discriminatory selection procedure for that designation the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making^{1a}. In***

particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

^{1a} OJ L 123, 12.5.2016, p. 1.

Or. en

Justification

The rules guiding the procedure of designating the registry will be an important part in securing the guiding principles of openness, transparency and non-discrimination. Therefore it is important to involve the parliament to a greater extent in this and the preferred instrument should be a delegated act.

Amendment 6

Proposal for a regulation

Recital 9 a (new)

Text proposed by the Commission

Amendment

(9a) The Commission should enter into a contract with the selected Registry which should include the detailed principles and procedures applying to the Registry for the organisation, administration and management of the .eu TLD. The contract should be limited in time and renewable.

Or. en

Justification

The rules guiding the procedure of designating the registry will be an important part in securing the guiding principles of openness, transparency and non-discrimination. Therefore it is important to involve the parliament to a greater extent in this and the preferred instrument should be a delegated act.

Amendment 7

Proposal for a regulation Article 1 – paragraph -1 (new)

Text proposed by the Commission

Amendment

-1. This regulation aims at supporting the digital single market, by building an online European identity and encouraging online cross-border activities;

Or. en

Amendment 8

Proposal for a regulation Article 4 – paragraph 3 – introductory part

Text proposed by the Commission

Amendment

3. The Registry may revoke a domain name at its own initiative and without submitting the dispute to any extrajudicial settlement of conflicts, on the following **grounds**:

3. The Registry may revoke **or suspend** a domain name at its own initiative and without submitting the dispute to any extrajudicial settlement of conflicts, on the following grounds **only**:

Or. en

Justification

This is just to be seen as a clarification of the actions that can be taken by the Registry.

Amendment 9

Proposal for a regulation Article 4 – paragraph 5

Text proposed by the Commission

Amendment

5. Where a domain name is considered by a court of a Member State to be defamatory, racist or contrary to public policy, it shall be blocked by the Registry upon notification of a court decision **and**

5. Where a domain name is considered by a court of a Member State to be defamatory, racist or contrary to public policy, it shall be blocked by the Registry upon notification of a court decision. **The**

shall be revoked upon notification of a final court decision. The Registry shall block from future registration those names which have been subject to such a court order as long as such order remains valid.

domain name shall, however, not be blocked by the Registry if the decision falls within the scope of an implementing act or a council decision adopted in accordance with Article 5 of Regulation [on the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, 2018/0136 (COD)] The domain name shall be revoked by the Registry upon notification of a final court decision. The Registry shall block from future registration those names which have been subject to such a court order as long as such order remains valid.

Or. en

Justification

The Commission has for the MFF-proposals presented a mechanism for safe-guarding the principle of Rule of Law. It is appropriate that such a safeguard is also introduced in the .eu Regulation.

Amendment 10

Proposal for a regulation

Article 4 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. Domain names registered under the .eu TLD shall only be transferable to parties that are eligible for registration of .eu domain names.

Or. en

Justification

This provision is carried over from the current regulatory system. And it is important to ensure that the eligibility criteria in Article 3 is uphold also when the domain name is transferred.

Amendment 11

Proposal for a regulation Article 5 – paragraph 1

Text proposed by the Commission

1. The registration of domain names shall be performed in all the **alphabetic** characters of the official languages of the Union in accordance with the available international standards as allowed by the relevant Internationalised Domain Names (IDNs) protocols.

Amendment

1. The registration of domain names shall be performed in all the characters of the official languages of the Union in accordance with the available international standards as allowed by the relevant Internationalised Domain Names (IDNs) protocols.

Or. en

Amendment 12

Proposal for a regulation Article 6 – paragraph 3 – point b

Text proposed by the Commission

(b) may be registered or reserved only **under** a second level domain by the Member States. These domain names must be limited to broadly-recognised geographical and/or geopolitical terms which affect the Member States' political or territorial organisation.

Amendment

(b) may be registered or reserved only **at** a second level domain by the Member States. These domain names must be limited to broadly-recognised geographical and/or geopolitical terms which affect the Member States' political or territorial organisation.

Or. en

Amendment 13

Proposal for a regulation Article 7 – paragraph 1

Text proposed by the Commission

1. The Registry shall accredit registrars in accordance with reasonable, transparent and non-discriminatory accreditation procedures, which have been approved in advance by the Commission.

Amendment

1. The Registry shall accredit registrars in accordance with reasonable, transparent and non-discriminatory accreditation procedures, **in line with this Regulation**, which have been approved in

The Registry shall make the accreditation procedures publicly available in readily accessible form.

advance by the Commission. The Registry shall make the accreditation procedures publicly available in readily accessible form.

Or. en

Amendment 14

Proposal for a regulation Article 8 – paragraph 1

Text proposed by the Commission

1. The Commission shall establish the criteria and the procedure for the designation of the Registry by means of ***implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 17(2).***

Amendment

1. The Commission shall ***adopt delegated acts to supplement this Regulation concerning the establishment of*** the criteria and the procedure for the designation of the Registry, ***and criteria establishing minimum requirements for other circumstances than those referred to in Article 4, when the registry shall block, suspend or revoke a domain name, in order to safeguard Union values.***

Or. en

Amendment 15

Proposal for a regulation Article 8 – paragraph 3

Text proposed by the Commission

3. The Commission shall enter into a contract with the designated Registry. The contract shall specify the rules, policies and procedures for the provision of services by the Registry and the conditions according to which the Commission supervises the organisation, administration and management of the.eu TLD by the Registry. The contract shall be limited in time and renewable and shall include the principles and procedures on the

Amendment

3. The Commission shall enter into a contract with the designated Registry. The contract shall specify the rules, policies and procedures for the provision of services by the Registry and the conditions according to which the Commission supervises the organisation, administration and management of the.eu TLD by the Registry. The contract shall be limited in time and renewable and shall include the principles and procedures on the

functioning of the .eu TLD laid down on the basis of *Article 11*.

functioning of the .eu TLD laid down *in this Regulation and in particular* on the basis of *Articles 10 and 11*.

Or. en

Justification

The obligations set in Article 10 should also be included in the contract.

Amendment 16

Proposal for a regulation

Article 9 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The registry shall operate according to the public interest and under the strictest rules of transparency, fairness and accountability.

Or. en

Justification

Since the .eu domain is of public importance ensuring that the operation of the Registry follow these principles is important.

Amendment 17

Proposal for a regulation

Article 10 – paragraph 1 – point -a (new)

Text proposed by the Commission

Amendment

(-a) promote the attractiveness of .eu TLD across the Union and the world to ensure its competitiveness;

Or. en

Amendment 18

Proposal for a regulation

Article 10 – paragraph 1 – point b

Text proposed by the Commission

(b) organise, administer and manage the .eu TLD in the general interest and on the basis of principles of quality, efficiency, reliability, transparency, accessibility and non-discrimination and by ensuring fair conditions of competition;

Amendment

(b) organise, administer and manage the .eu TLD in the general interest and on the basis of principles of quality, efficiency, reliability, transparency, accessibility and non-discrimination and by ensuring fair conditions of competition, ***while ensuring the application of fair consumer protection measures and a reasonable price for a .eu TLD name;***

Or. en

Amendment 19

Proposal for a regulation

Article 10 – paragraph 1 – point i

Text proposed by the Commission

(i) promote the objectives of the Union in the field of internet governance;

Amendment

(i) promote the objectives of the Union in the field of internet governance ***and therefore participate in international fora;***

Or. en

Amendment 20

Proposal for a regulation

Article 10 – paragraph 1 – point l a (new)

Text proposed by the Commission

Amendment

(la) promote Union values such as multilingualism, respect of users' privacy and security, consumer protection and human rights through good management of .eu TLD.

Amendment 21

Proposal for a regulation

Article 11 – paragraph 1 – point b

Text proposed by the Commission

(b) requirements and procedures for registration requests, policy on verification of registrants data and speculative registration of domain names;

Amendment

(b) requirements and procedures for registration requests, ***including verification of proof of fulfilling the criterion for registration***, policy on verification of registrants data and speculative registration of domain names;

Or. en

Justification

Proof needs to be provided for the eligibility criteria in Article 3.

Amendment 22

Proposal for a regulation

Article 16 – paragraph 1

Text proposed by the Commission

1. No later than ***five*** years after the date of application of this Regulation, and each three years thereafter, the Commission shall assess the implementation, effectiveness and functioning of the .eu TLD.

Amendment

1. No later than ***three*** years after the date of application of this Regulation, and each three years thereafter, the Commission shall assess the implementation, effectiveness and functioning of the .eu TLD.

Or. en

Justification

It is better to keep to the three years reporting interval for all the reports.

Amendment 23

Proposal for a regulation Article 17 a (new)

Text proposed by the Commission

Amendment

Article 17a

Exercise of the delegation

1. The power to adopt a delegated act referred to in Article 8(1) is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 8(1) shall be conferred on the Commission for a period of five years from ... [the date of entry in to force of this Regulation]. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of power referred to in Article 8(1) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult the .eu Multistakeholder council referred to in Article 14 and experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April

2016 on Better Law-Making.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 8(1) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Or. en

Justification

This is introduced as a consequence for proposing a delegated act in Article 8. See AM 13.

EXPLANATORY STATEMENT

The new proposal on the .eu Top Level Domain (.eu TLD) published by the Commission on 24 April 2018 aims at repealing the existing legislations. Although the .eu TLD continues to function properly, the legal framework governing it has to be adapted to an evolving online environment and market.

In line with the objectives of the Digital Single Market Strategy, the present initiative seeks to ensure that a TLD that has worked relatively well continues to do so in the future in order to ensure that the benefits linked to it can reach as many Union citizens as possible in the near future.

The Rapporteur welcomes the proposal and shares the aim to keep up with the rapid evolution of the TLD market and the dynamic digital landscape that require future-proof and flexible regulatory environment.

The existence of a specific domain name for the EU is very important for the EU online identity. The Rapporteur believes it is an opportunity for Institutions, companies or citizens to have the possibility to access to a .eu TLD. They will therefore be easily identified as part of the EU community sharing the same set of rules and values.

The proposal lays out the general principles of registration of a .eu Top Level Domain name.

It outlines the eligibility criteria, the general conditions of registration and revocation of domain names, the languages, the applicable law and the jurisdiction, the procedures for the reservation of domain names by the Registry, the Commission and Member States, and the accreditation procedures for Registrar.

Registry: the provisions span from its designation by the Commission and characteristics to its key obligations. The proposal also lays down a list of principles and procedures on the functioning of the .eu TLD to be included in the contract with the Registry, including the following.

While supporting the general principles, the rapporteur wants to underline the promotion of EU values such as multilingualism, respect of users' privacy and security, consumer protection and human rights. Especially on the issue of safeguarding the rule of law, the Rapporteur suggests additional safeguards.

The Rapporteur also wishes to have better control from the European Parliament on the establishment of the criteria and the procedure for the designation of the Registry by using delegated acts.

**ANNEX: LIST OF ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT**

The following list is drawn up on a purely voluntary basis under the exclusive responsibility of the rapporteur. The rapporteur has received input from the following entities or persons in the preparation of the draft report:

Entity and/or person
1. European Commission
2. EUrid
3. EDRI