Minutes of Cloud-Select Industry Group (C-SIG) Meeting
19 May 2014, 10:00 – 16:45h, BU25, Brussels, Belgium

Participants: see Annex 1

Welcome and introduction

Ken Ducatel, Head of Unit "Software and Services, Cloud", DG CONNECT opens the meeting presenting a short overview of today's agenda, the topics to be presented and the desired outcome.

Service Level Agreements – state of play
– Agnieszka Wodecka ("Software and Services, Cloud", DG CONNECT), Guido Van Der Harst (Gartner)

Agnieszka Wodecka presents the current state of play concerning the C-SIG SLA subgroup:

Since its first meeting in February 2013, many different documents have been produced. To consolidate these documents and to find common points that could be synthesised in one deliverable, the SLA drafting team was established.

Members of SLA drafting team:

Principles –Nicolas Schifano, Microsoft
Vocabulary – Arthur van der Wees , Arthur Legal
Information security SLO –Jesus Luna , CSA,
Cloud service performance SLO – Mike Edwards, IBM
Processing of personal data SLO –Stefano Tagliabue, Telecomitalia

The drafting team will produce the SLA Standardisation Guidelines (planned finalisation and release: end of June 2014) which shall be used as an input from the C-SIG to the ISO Working Group on Cloud Computing. This will give the opportunity to show the work that has been done during entire year by the C-SIG on the international level and to have an influence on the ISO work from the European perspective.

The Commission has already established a liaison between the Commission's C-SIG SLA subgroup and ISO. The next steps will be to provide the input to ISO working group in September/October 2014.

Study on Cloud Service Provisions

Guido Van der Harst from Gartner outlines background and results of the recent 3-months study. Its aim was to provide essential elements to be included in the Terms of service and sample SLA which could help setting up a contract between cloud providers and cloud service customers. The focus was on technical objectives not business level objectives. As a result, Gartner proposes a Terms of service

checklist that includes common and special clauses for the provision of cloud services. The study also provides a toolkit that allows the buyer of cloud services to compare cloud services on the basis of services and SLA provisions. The outcome document of the study is already used by Gartner for commercial and private organisations. Gartner recommends to cooperate with IT people and business actors to compare needs.

Ken Ducatel informs that those study results will be published at the same time with the results of the C-SIG SLA subgroup.

<u>The presentation of the Gartner study leads to the following discussion among C-SIG:</u>
According to Joe Alhadeff (Oracle) there should be a distinction between SLA and contract terms. Also, SLAs should be different for public and private clouds. Gartner points out that their study focusses on public clouds. Ken Ducatel prefers that SLAs apply to both private and public clouds as SLAs should remain easily comparable. Tobias Höllwarth (Eurocloud Europe) notes that contract terms of public services are difficult to accept for large customers.

Marnix Dekker (ENISA) raises the question whether SLAs should be standardised or not and who would be responsible for that particular action. In this case, should C-SIG just develop SLAs and then hand over to the ISO Group? Tobias Höllwarth (Eurocloud Europe) observes that there is actually no contract that could apply to a large number of customers, every detail is still negotiated. This is a problem for SMEs. Jordan Janeczko (Atos) points out that standards can be problematic with regard to different needs, how does the Gartner study relate to that? Gartner clarifies that the study result is not an effort to standardise but should be considered as a starting point. The aim should be however not to have identic contracts but to offer the possibility to adapt to each customer's needs.

Agnieszka Wodecka reminds that EC expects comments from C-SIG on the Gartner study by the end of this week.

Ken Ducatel prefers that tools are provided to SMEs which help them to choose the cloud solution adapted to their needs. The Commission intends to support the development of a tool targeted on SMEs to help them determine their SLAs requirements for cloud services.

Joe Alhadeff (Oracle) underlines that it is important to deliver also tools for SME providers. The relationship between CoC and SLA should be clarified. Ken Ducatel suggests that a coordination support action under H2020 might help with the SME part.

Ken Ducatel replies to the question of Jordan Janeczko (Atos) about the relevance of the ISO document distributed last Friday that it will be C-SIGs input to the ISO working group.

<u>Planned schedule for SLA guidelines:</u>

Week of May 19: Broad consultation of the group
Week of May 26: call with drafting team to consolidate received comments + continue drafting
Week of June 2: physical meeting in Brussels with presentation of the straw man
Week of June 9: call + preparation of SLA standardisation guidelines press release
Week of June 16: final consultation of the group**Week of June 23**: finalisation of SLA standardisation guidelines + release
October 2014: Input to ISO

Code of conduct (CoC) – state of play
- Agnieszka Wodecka (DG CONNECT), Hans Graux (Timelex)

Agnieszka Wodecka gives an overview about the current state-of-play: Cloud CoC draft team (Salesforce, ATOS, Microsoft, SAP) drafted a new version of "Data Protection CoC for Cloud Service Providers" which was sent to WP29 for positive opinion in February 2014. The informal letter with key points that still should be addressed in the code is planned to be sent to C-SIG in June 2014.

Hans Graux presents content of the code, data protection issues to address and possible governance bodies. The code provides a checklist for SMEs so that they can check their adherence to the code. The code makes clear that adherence to the CoC does not replace the contract. Each item of the CoC has to be manageable and some derogations have to be admitted in order to account for differences in cloud models and approaches.

Stephane Ducable (AWS) commented that indeed the specificities of cloud services delivery models, SaaS, Paas and Iaas, should be addressed in the CoC to reflect the technology and market realities.

Theo Smit (adviser, customer businesses) pointed out that cloud is a key enabler for innovation and intellectual property protection will be an issue. But, according to Hans Graux, IPP was not considered as IPP has no inherent legal link with data protection as such: the CoC should be approved by WP29, and can therefore only focus on data protection.

Andreas Tegge (SAP) proposes a metaframework for security issues that would allow to compare. Jonathan Sage thinks that it should not be too specific, he preconizes a very high level single standard.

Concerning audits and self-assessment, opinions are mixed: some prefer a safe harbour approach, other prefer third party certification schemes, specifically re-using the existing ones.

Criteria for business models for governance are mentioned: they should be simple and low cost based so that they remain accessible for SMEs. Registration fees, membership fees etc. could be part of the financing scheme. A call for interest addressed to the participants is suggested.

Joe Alhadeff (Oracle) is of the opinion that SLA language and CoC language should be compatible but CoC should control. We need rules for conflict of interest cases.

The question of the relationship between the code and the Trusted Cloud for Europe (TCE) brand was raised. This is not of concern for the moment. For the moment, we have to concentrate on incorporating the CoC into the current proposal for a General Data Protection Regulation.

<u>Planned schedule for CoC:</u>

June 2014 informal letter about key points in CoC to be sent to C-SIG

Update on certification activities
- Tjabbe Bos ("Software and Services, Cloud", DG CONNECT), Marnix Dekker (ENISA), Monica Lagazio (Trilateral Research & Consulting)

Tjabbe Bos gives a short introduction to the current state of play and future planning and actions.

Marnix Dekker (ENISA) presents the scenarios that were examined by ENISA for cloud certification and the two solutions that are proposed: CCSL (Cloud Certification Schemes List, mainly for SMEs) and CCSM (Cloud Certification Schemes Meta-Framework – mainly relevant for governmental organisations). CCSL was published in February 2014 and received positive reaction from public via the website. Next steps are to include new schemes and also the establishment of CCSM. A technical subgroup of the C-SIG certification group is established to support ENISA in the work.

In response to questions, it is clarified that it is not the objective of the current work to create new certification schemes. In response to a suggestion from Joe Alhadeff (Oracle) to take an inverse approach for the CCSM that takes existing certification schemes as a basis (instead of NIS-requirements of public administrations) Marnix clarifies that a scheme-independent approach is preferred, but that the matter will be discussed in the following meeting of the CCSM technical subgroup. Finally, in response to a question from Jordan Janeczko (Atos), Marnix explains that the key issue for CCSM is to find the right balance as regards the level of detail of security objectives.

Planned schedule for CCSL / CCSM (ENISA):

June 2014	teleconference call on CCSL
Before summer	establish shortlist of public sector NIS requirements, draft meta-framework mapping requirements to schemes
July 2014	first draft CCSM, discussion with SIG-certification group
Over summer	review of draft meta-framework
After Summer	2nd draft CCSM

Cloud certification study:
- Monica Lagazio, Trilateral Research

Monica Lagazio brings back into mind the objective of study: analyse existing cloud relevant certification schemes building on previous work from the C-SIG, ENISA, and ETSI and IDC, formulate recommendations for the next steps of the Commission for its actions on certification as part of the European Cloud Computing Strategy.

Part of Trilateral's approach is the production of a comparative analysis of existing schemes, case studies as well as collecting feedback from a recent stakeholder workshop that was organised in Amsterdam (April 3rd 2014). The final report is currently with the EC for comments and was also shared with the C-SIG certification group for comments.

Key findings of the study are amongst others that security is the most common focus for the cloud computing relevant certification schemes that were analysed. In general, schemes are not aligned with GDPR but some schemes could adapt to it. We can distinguish six main standard families (24 schemes) with many connections, but there is a focus on security. Certification could indeed increase trust. Trust and security certification are easier to implement than e.g. on issues related to jurisdiction. The public sector plays an important role in cloud adoption in relation to certification, examples are ECP, C4E initiative (FP7 funded) and G-Cloud (UK). Certification can be an important facilitator to cloud adoption. Mutual recognition of different certified clouds could facilitate adoption. Trilateral proposes 7 possible lines of action:

1. Extended cloud certification covering additional elements
2. Greater alignment to customers' requirements
3. Establish regulatory governance
4. Provide regular oversight about accreditation of certifiers
5. Promote standardisation where lacking
6. Develop risk-transfer mechanisms
7. Mutual recognition of schemes

Jordan Janeczko (Atos) points out that some lines are within the current scope of the work under the European Cloud Computing Strategy, but some are not. EC explains that the report should also be considered as a basis for further steps and that the current meeting should also contribute to the development to those further steps.

Joe Alhadeff (Oracle) questions transparency of provider's needs. It is not easy to define when a system is compliant, also because there are many interdependencies. For Ken Ducatel this is the reason why efforts on standards for SLAs must be undertaken in parallel to those on certification.

Andreas Tegge (SAP) hints to a self-regulation of the market: regarding the cost element and the maturation of the market, will there still be a need for certification? Monica Lagazio explains that certification could help in this sense as it can direct the market.

Ken Ducatel invites C-SIG members to provide their comments to the study by May 26th 2014.

Planned schedule for Certification Schemes:
May 26th 2014 deadline for comments on Trilateral Research study (Tjabbe Bos)

Expert Group on Cloud Computing Contracts – state of play
- Dirk Staudenmayer and François-Régis Babinet (DG JUST)

Dirk Staudenmayer welcomes the participants and hands over to his colleague **François-Régis Babinet** who gives an overview on this expert group so far. Six meetings took place since October 2013 discussing specific points concerning contract topics and data protection topics. Twelve questions have been distributed to members and today's C-SIG groups meeting participants. DG JUSTICE asks for input to those questions during today's meeting.

Question 1 addresses possible **key elements about services that a user should know** before entering a contract. Participants' concerns were mainly the different aspects on consumers and providers side that are difficult to unite in common key elements as well as the difficulty to have a tool allowing to find the individually adapted cloud service. A regulatory measure could be an option for such a tool.

Questions 2 & 3 ask for views on **compensation in cases of breach of contract** and on related **service credits**. Cloud insurance was considered as an option. Andrea Lollo (GDV - German Insurance association) informs that cyber-insurance could include cloud computing. Such an insurance exists already in the UK.

Participants debate about consequential damage and it is considered as an expensive remedy which can be an obstacle for small cloud providers. SLA should make it possible to identify clearly services and when liability will be engaged and how.

Conor Ward (Hogan Lovells Int LLP) hints to utility services where no huge amounts of compensation are foreseen. Utilities were regulated. The market for cloud services is fragmented, it is premature to regulate it because for the moment it is still self-regulating.

Question 4 deals with **contract modifications**: should **users explicitly agree** or not? A roundup of discussions reveals the opinion that notifications should be mandatory but requiring explicit agreement depends on context.

Question 5 adresses the possibilities of changing the provider and related costs. Discussions among participants of today's meeting revealed that switch should be possible but the reasons for the switch should be taken into account. Joe Alhadeff (Oracle) points out that even a cost-free switch can result in costs for consumer (reformatting of data, data transfer). Such costs should be considered and treated differently.

The remaining questions could not be discussed due to time constraints.

Planned schedule for Expert Group on Cloud Computing Contracts (DG JUSTICE):

Mid-June 2014 deadline for sending comments on their questionnaire to DG JUSTICE
End June 2014 Wrap-up of discussions so far (DG JUSTICE)

ECP
- Hans Graux (timelex), Mark Smitham (DG CONNECT)

After having explained the European Cloud Partnership (ECP), **Hans Graux** sets out best practices and consensus building as actions of the Trusted Cloud Europe vision document. He expects that the document shall help to align policies and legislation so that at the end there will be a single set of certification schemes throughout Europe, not each Member State having its own set of certification schemes.

Mark Smitham presents results from the EC public survey that was open from 21 March to 2 May 2014. Participants to the survey could give their inputs via a questionnaire of ten questions, by email or via a dedicated community webpage. For the moment, results are not yet public. EC aims to publish them before summer 2014.

Next steps

Ken Ducatel asks the participants about their views concerning a EU Cloud Strategy - step 2 .

The audience is positive about a continued EU Cloud Strategy. A link to Big Data is proposed. Cloud developments outside Europe should be monitored closely, synergies with other areas should be explored (eg StartUpEuropa, SME), innovation is important. Cloud uptake is difficult at current status as e.g. security standards are not yet clearly defined. A quick group consensus is needed so that current work can be implemented quickly in order to move forward.

Ken Ducatel refers to previous discussion concerning insurance market. That market could be influenced by our work. There is a **study on taxation** ongoing that will be **completed before summer 2014**.

The TCE survey results, TCE ideas and cloud computing expert group of DG JUSTICE will influence EC's internal reflexions, policy papers as well as next College. There shall be a major consultation analysing current results before continuing with a EU Cloud Strategy – step 2. The mandate of ECP was only for this college.

Planned schedule for actions related to the Trusted Cloud Europe vision and the public survey:

Before summer 2014	Publication of results of TCE survey
End 2014	- Finalisation of a model Code of Conduct, and its endorsement by the Article 29 Working Party - SLA guidelines and the Safe and Fair Cloud Contract initiative guidance - Consultations with cloud users to ensure acceptance of the Code, SLA guidelines and Cloud Contract initiatives
2014/2015	Data protection harmonization efforts in Europe (Data Protection Regulation)
Early 2015	- Study on data categorisation from the perspective of MS - Consensus building
Mid-2015	- Implementing and supporting certification mechanisms - Uptake of the CoC, SLA/Fair Contract and security certification by Industry
End 2015	Selection and initiation of selected cloud pilots

AOB

- **C4E pre commercial call for tender – Frank van Dam (Ministry of Economic Affairs - NL)**

Frank van Dam, Ministry of Economic Affairs (NL) presents the current C4E initiative which started in June 2013. It shall put in place collaboration between public authorities and industry through Pre-commercial procurement (PCP). C4E 's aim is to identify obstacles that prevent public services to use cloud solutions and together with industry to develop solutions that will meet public sector needs by procuring specific R&D services. At the end, public sector shall be able to procure cost-effective , secure and reliable cloud services.

According to the pre-commercial procurement approach, IPR will be kept by industry.

A first tender will be published end July/beginning of August 2014. The lead procurer will be Agency for Digital Italy (Italian law)

C-SIG plenary participants ask for the nature of the services which, according to Frank van Dam, can be e.g. complete SaaS solutions but also supporting services like encryption as a service. Frank van Dam welcomes the idea to include certification in the tender.

More info:
C4E website: http://www.cloudforeurope.eu/
Join the Cloud for Europe stakeholder mailing list: www.cloudforeurope.eu/stakeholder-area
Send feedback and questions to: info@cloudforeurope.eu

- **Consultation on industry demand for cloud**
  – Judit Schvéger ("Software and Services, Cloud", DG CONNECT)

A priority for 2014 was to start validating amongst the professional user community (current and future cloud users) some of the key deliverables of the EU Cloud Strategy in relation to cloud adoption (ie. map of standards, an objective listing of existing cloud computing relevant security certification schemes and metaframework, a draft deliverable from the C-SIG Subgroup on SLAs and a draft outline of a voluntary Data Protection Code of Conduct (CoC) for cloud providers by the C-SIG Subgroup on CoC). The Commission has launched a negotiated procurement procedure in February 2014.

The aim of the procurement is to have qualitative feedback in order to assess the alignment of the above deliverables (as they become available) in relation to cloud adoption to the needs of current and future cloud service users in the private sector, including large, medium and small corporate users of cloud computing services. The specific objectives and related tasks were set out in the Terms of Reference:

1. identify top 10 use cases (aim is to facilitate and structure the results from the interviews in a clearly developed framework);
2. assess the alignment of deliverables among key decision makers in cloud business users to policy actions (this objective 2 should be achieved through an online survey, a series of interviews and workshops;
3. provide input for identification and development of further strategy and policy aspects (e.g. taxation, insurance etc).

The outcome of this tender will be used to further align existing policy actions to the needs of different segments of the broadest business user community (demand side of the industry).

The Commission finally launched the call for tender in April after an ex ante advertisement had been published and sent invitation to 7 candidates (negotiated procurement procedure) The evaluation was completed and the decision will be published (will be sent to invitees) within 2-3 weeks.

<u>Planned schedule:</u>

June 2014	Contract signature; contract duration: 12 months
Nov 2014	Workshop (according to Terms of Reference)
February 2015	Workshop (according to Terms of Reference)
March 2015	Final results

As a conclusion, Ken Ducatel lists some other ongoing activities:

May 2014 Call for tender on study on economic impact of cloud computing in Europe https://ec.europa.eu/digital-agenda/en/news/call-tenders-study-measuring-economic-impact-cloud-computing-europe-%E2%80%93-smart-20140031; closing date 16/07/2014, evaluation in August 2014

June 2014 Evaluation of Call 1 (Horizon 2020); contracts to start early 2015

2014 Update on standards exercise by ETSI? Funding issues on ETSI side. There may be a possibility to transform ETSI list into an online tool. FP7 project CLOUDWATCH may intervene in this case. Meeting to be set up between Silvana Muscella (CLOUDWATCH coordinator) and Digital Europe.

Annex 1 – List of participants

Name	Company
Wayne ADAMS	EMC Corporation
Joe ALHADEFF	ORACLE
Bernd BECKER	Eurocloud Europe
Irena BEDNARICH	Hewlett-Packard
Abdellatif BENJELLOUN TOUIMI	Huawei Technologies
Paul BROWNELL	Red Hat
Maël BRUNET	OpenForum Europe
Daniele CATTEDDU	Cloud Security Alliance
Patrice CHAZERAND	DIGITALEUROPE
Jarita CHRISTIE	TechAmerica Europe
Dan CIMPEAN	Deloitte
Oronzo DALOISO	Paragon Europe
Florian DAMAS	Alcatel-Lucent
Victor DE POUS	DE POUS
Marnix DEKKER	ENISA
Antoon DIERICK	DLA Piper UK LLP
Jan DROGE	Schuman Associates
Stephane DUCABLE	Amazon Web Services
Mike EDWARDS	IBM
Helmut FALLMANN	Fabasoft
Stephanie FINCK	Saleforce.com
Chris GOW	CISCO
Hans GRAUX	time.lex
Wilfried GROMMEN	Hewlett-Packard
Thomas GRUSEMANN	TÜV Rheinland Group
Kawser HAMID	Information Commissioner's Office
Samantha HARDAWAY	ORACLE
Eric HENAULT	European CIO Association
Tobias HÖLLWARTH	EuroCloud Europe

Danielle JACOBS	INTUG
Guillaume JAHAN	Numergy
Jordan JANECZKO	ATOS
John JOLLIFFE	Adobe Systems Incorporated
Chris KAPPLER	PwC Belgium
Monica LAGAZIO	Trilateral Research
Terry LANDERS	Microsoft
Mark LANGE	Microsoft EMEA
Antoine LARPIN	Panasonic Europe
Dimitra LIVERI	ENISA
James LOVEGROVE	APCO worldwide
Matthew MCDERMOTT	Access Partnership
Marco MORAGON	Samsung Electronics
Silvana MUSCELLA	Trust-IT Services Ltd
Thanh NGUYEN	Orange
Ian OSBORNE	The Knowledge Transfer Network
Will PARKER	Dell Corporation Limited
Ali PARVIN	Dell Corporation Limited
Zoltan PRECSENYI	Symantec Corporation
Hendrik REESE	TÜV Rheinland Group
Nathaly REY	Google
Agustin REYNA	BEUC, The European Consumer Organisation
Mario ROMAO	INTEL
Alexandre ROURE	BSA | The Software Alliance
Jonathan SAGE	IBM
Johan SCHOOFS	BELTUG/INTUG
Lucia SCOCA	Telecom Italia
Claudia SELLI	AT&T
Theo SMIT	Carthe
Nicky STEWART	Skyscape Cloud Services Ltd
Michael SYMONDS	ATOS

Said TABET	EMC Corporation
Stefano TAGLIABUE	Telecom Italia
Andreas TEGGE	SAP
Charlotte THORNBY	ORACLE
Frank VAN DAM	Ministry of Economy of Netherlands
Guido VAN DER HARST	Gartner
Arthur VAN DER WEES	Arthur's Legal B.V.
Cristina VELA	Telefonica
Kevin VINDEVOGEL	Cabinet DN
Christian WAGNER	TechAmerica Europe
Conor WARD	Cloud Industry Legal Forum; Hogan Lovells International LLP
Alexander WHALEN	Community Public Affairs
Andrea Lollo	GDV
Peter Witsenburg	Belgium cloud
Karl MATRHOFFER	
David Bernard WILLS	Trilateral Research
Tjabbe BOS	EC
Francois-Regis BABINET	EC
Nicolas DUBOIS	EC
Ken DUCATEL	EC
Francisco MEDEIROS	EC
Sabine POSZDIECH	EC
Ann-Sofie RONNLUND	EC
Judith Schveger	EC
Mark SMITHAM	EC
Jacek STARCZEWSKI	EC
Dirk STAUDENMEYER	EC
Dirk VAN ROOY	EC
Agnieszka WODECKA	EC