

Response to the Call for evidence of the European Commission on the digital package and omnibus (simplification)

Vienna, 10 October 2025

About the Association of Public Services and Enterprises Austria

We are committed to ensuring that essential public services remain accessible, affordable, and of high quality for everyone in Austria – today and in the future. Representing more than 120 companies, institutions, and organisations in the field of public services, VÖWG fosters cross-sector collaboration and knowledge exchange — especially in areas such as energy supply, public transport, water and wastewater management, waste disposal, economic and financial governance, housing, as well as health and social care. VÖWG supports its members with a wide range of services and advocates for the values and interests of the public sector at national and European levels.

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Introduction

With the planned Digital Omnibus, the European Commission aims to simplify the existing legal framework in the digital single market, eliminate overlaps, and thereby strengthen the EU's competitiveness. The VÖWG expressly welcomes this initiative. The multitude of new and overlapping regulations – for example in the areas of data, artificial intelligence, cybersecurity, and data protection – currently results in considerable administrative burden and complicates implementation, particularly in the public sector.

From the perspective of public services, it is crucial that simplification does not lead to a reduction of protection standards or legal certainty. Effective digital policy requires coherence, proportionality, and practical applicability. The goal must be a public interest-oriented simplification that relieves public enterprises, municipal actors, and operators of critical infrastructures—without compromising Europe's digital sovereignty.

Overview of VÖWG Policy Positions

- **Reduce bureaucracy with balance and purpose – simplification must not lead to legal uncertainty.**
- **Ensure coherence and clarity within the European digital regulatory framework.**
- **Guarantee equal treatment of municipal and public enterprises with private actors (“level playing field”).**
- **Safeguard critical infrastructures and Europe's data sovereignty.**
- **Ensure realistic timelines and practical guidelines for the implementation of digital regulations.**

1. Simplification – yes, but without deregulation

Reducing administrative burdens is welcome, but it must not come at the expense of legal certainty. Public enterprises in particular require stable framework conditions to plan long-term investments in digital infrastructure. Simplification should therefore focus on eliminating redundancies, unnecessary reporting obligations, and contradictory regulations – not on dismantling essential protective provisions.

A premature withdrawal from ex-ante regulatory mechanisms in the field of digital networks would be counterproductive. Dominant market players must not be strengthened through deregulation while smaller and municipal providers suffer competitive disadvantages.

2. Ensuring coherence and legal clarity in the digital regulatory framework

Overlaps between the Data Act, Cyber Resilience Act, NIS 2 Directive, AI Act, and GDPR currently lead to significant additional burdens for companies in practice. Divergent reporting obligations, deadlines, and responsibilities complicate implementation. The VÖWG therefore calls for the Digital Omnibus to establish clear boundaries between the respective legal acts and ensure coherent application.

In particular, the interaction between the Data Act, the PSI Directive, and national implementation measures (such as the Data Use Act) must be clarified within the area of data law. Only through consistent definitions, harmonized procedures, and digital interfaces can administrative effort and costs be reduced—without compromising data quality or security.

The VÖWG therefore calls for:

- Clear delineation of scope and responsibilities among EU digital legal acts.
- Harmonization of terminology, reporting obligations, and deadlines.

- Consistent interpretations by competent authorities to ensure legal certainty.

The goal of the Digital Omnibus must be to resolve contradictory regulations and enable coherent, digitally supported procedures—particularly for the public sector, which must comply with a wide range of regulatory obligations.

3. Equal treatment of municipal enterprises and midcaps

The Digital Omnibus should explicitly ensure that simplification measures also apply to public and municipal enterprises that meet the size criteria for SMEs or midcaps. The current SME definition of the European Commission excludes companies with more than 25% public ownership—a rule that systematically disadvantages public enterprises, even though they are often comparable to private SMEs in size, structure, and performance capacity.

This unequal treatment results in many municipal enterprises being excluded from regulatory relief measures and funding instruments. The VÖWG therefore calls for:

- An amendment to Article 3(4) of the SME definition in Annex I of the General Block Exemption Regulation (GBER).
- The explicit inclusion of municipal enterprises in the simplification and relief measures of the Digital Omnibus.

Public enterprises that meet the size criteria must be able to benefit from the same simplifications as private companies. Only a true “level playing field” can guarantee fair competition conditions and foster innovation and digitalization in the public sector.

4. Preserving the protection of critical infrastructures and data security

Europe’s digital security is directly linked to the protection of sensitive data originating from public services of general interest—such as the energy, water, health, or transport sectors. Simplification measures must not lead to a weakening of protective mechanisms or the disclosure of confidential information.

Existing exemption provisions, such as those under the INSPIRE Directive to safeguard public security, must continue to be upheld. Furthermore, it must be ensured that all future simplifications remain consistent with the high standards set by the NIS 2 Directive and the Cyber Resilience Act.

Digital sovereignty and security are not obstacles—they are essential prerequisites for trust, competitiveness, and resilience in Europe.

5. Realistic timelines, clear guidelines, and support for implementation

The multitude of new digital policy regulations presents significant implementation challenges, particularly for smaller and municipal enterprises. To prevent overload and legal uncertainty, the VÖWG calls for:

- Realistic transition periods for new or amended obligations.
- Harmonized, practice-oriented guidelines for interpretation and implementation.
- European and national support structures (e.g., training programs, standard tools, advisory services) to facilitate compliance.

Only with sufficient lead time and clear guidance can the Digital Omnibus truly contribute to simplification.

6. European digital sovereignty as a guiding principle

The Digital Omnibus should align with the objectives of the European Data Union and Cloud Strategy.

A sovereign European cloud infrastructure and interoperable data spaces are essential prerequisites for reducing dependencies on third countries, safeguarding data protection and the rule of law, and fostering innovation within Europe.

The VÖWG therefore calls for the Digital Omnibus to:

- Support the development of sovereign, GDPR-compliant cloud solutions,
- Strengthen open-source and interoperability principles, and
- Actively involve public enterprises in the governance structures of European data spaces.

Conclusion

The VÖWG supports the European Commission's objective of creating a more efficient, practical, and competitive digital regulatory framework through the Digital Omnibus. For simplification to have a real impact, it must be designed coherently, in the public interest, and with strong safeguards. Only a balanced legal framework that reduces bureaucracy without compromising security and reliability will strengthen Europe's digital competitiveness and the operational capacity of public services of general interest.

Content Responsibility

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