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FEEDBACK PAPER

Proposal for a regulation establishing a framework of measures for strengthening Europe's cloud and AI ecosystem (Cloud and AI Development Act)

With a population of 5.8 million, the **Metropolitan Region FrankfurtRheinMain** is one of the strongest economic regions and currently the most **significant data centre hub** in continental Europe. Further growth in the sector is expected.

Therefore, we welcome the establishment of data centres as essential infrastructure for the digital and economic future of the Metropolitan Region FrankfurtRheinMain. At the same time, we are aware of the **specific challenges that come with the establishment of data centres**. These include the high electricity requirements and use of land for data centres, as well as related issues such as energy efficiency, the use of water and waste heat and the displacement of other sectors. The Regional Authority FrankfurtRheinMain has therefore addressed these challenges at an early stage and supports its municipalities in the sustainable establishment of data centres through specialised events, exchanges with experts, information material and advice on funding opportunities.

The European Office of the Metropolitan Region FrankfurtRheinMain **generally welcomes** the European Commission's proposal to establish a **framework of measures to strengthen the European cloud and AI ecosystem**. Nevertheless, from the local authorities' point of view, **the Commission's proposal must be adjusted regarding the principle of subsidiarity and public procurement law.**

- We share the opinion that there is currently a high degree of dependence on a small number of cloud and AI providers from third countries. An **independent and secure cloud and AI infrastructure is essential**, particularly for the digitalisation in the public sector.
- We welcome that Member States shall establish national cloud and AI strategies. In the case of Germany, a national strategy has already been published. This strategy explicitly emphasises the **need to involve local authorities**. Particularly when it comes to identifying and designating sites, **the planning legislation in force in the Member States should not be undermined**. One of the key factors for the successful establishment of new data centres is that the **responsibility lies with the individual municipality and the relevant regional planning authorities**.

- The Regional Authority FrankfurtRheinMain is responsible for land-use planning for its municipalities. **The Cloud and AI Development Act must not undermine the principle of subsidiarity. In accordance with regional planning requirements, it is essential that local land-use planning remains in the hands of the municipalities. "Data centre acceleration zones" and, in this context, "aggregated baseline permits" must be decided locally by the municipalities themselves and must not result in any additional burden on local land-use planning.**
- The **establishment of single information points** for data centre operators must not result in an increased burden of coordination and reporting for municipalities. It is important to make use of existing structures and to **keep the administrative burden to a minimum**.
- We generally welcome the implementation of four **"union assurance levels"** as a risk-based and uniform framework for digital sovereignty. **The requirements for the four levels must be clear and reasonably verifiable.**
- Under article 32 of the Commission's proposal on public procurement procedures for innovative cloud computing services and AI systems, contracting authorities shall include "non-price award criteria that allow them to evaluate the tenderer's contribution to the development of a European cloud and AI ecosystem". We are concerned that the Commission's **proposal could create overlapping and fragmented regulation**, particularly in the area of public procurement, leading to legal uncertainty and implementation challenges for local authorities and municipal undertakings. To ensure coherence, legal certainty and effective implementation, **procurement-related provisions should be fully aligned with the forthcoming Public Procurement Act, while focusing on practical and interoperable solutions.**
- We **welcome the establishment of a European public sector cloud federation** to facilitate the sharing of public sector data centre services and cloud computing services **if participation is on a voluntary basis.**