EURIM DIGITAL POLICY ALLIANCE
informing policy for a competitive, inclusive, networked society

Smart Society Working Group

September 2018

Contribution to European Commission Conference

Shaping Competition Policy in the Era of Digitisation

Submission to Panel 1: Competition, Data, Privacy, and AI

A Brief Word About Us

The Digital Policy Alliance (DPA), originally founded in 1993 as EURIM, alerts EU and UK Parliamentarians and policy makers to the potential impacts, implications, and unintended consequences of policies which interact with and leverage online and digital technologies. We collaboratively cut across organisational and cross-sector boundaries to produce informed, representative and authoritative publications based on practical experience and insight, and suggest and review proposals for government policy, legislation and regulation as it applies to the UK.

For more information including lists of directors, members and observers see: www.dpalliance.org.uk. Email us at: admin@dpalliance.org.uk.

The DPA warmly welcomes the initiative by Commissioner Vestager in organising the conference, and has 2 working groups examining issues it covers. In response to the 'call for contributions' our Smart Society Working Group offers the following submission to the Panel 1. A separate submission to Panel 2 wil be made by the Competitions Policy Working Group.

The Digital Policy Alliance Smart Society Working Group aims to look at the issues arising from the huge increases in scale, ubiquity, processing capability and interconnectivity forecast for smart devices and the "Internet of Things" (including machine-to-machine interfacing). Active engagement of both Parliamentarians, providing leadership, and of participants, making contributions in clearly defined issues, is the basis for effective work. Under its Chair, Daniel Zeichner, Member of Parliament for Cambridge, the Smart Society Working Group explores what can be done to improve confidence in the secure adoption of smart technologies.

Competition, Data, Privacy, and AI

ISSUES ADDRESSED: In a world of ubiquitous data, thanks to, for example, 5G, the Internet of Things and connected cars, where would we have data bottlenecks – or, conversely, data access, data sharing or data pooling – causing competition issues? In which ways should privacy concerns serve as an element of the competition assessment? Since data is the raw material of artificial intelligence, how do we ensure that AI technology is as competitive as possible?

1. A regulatory framework should address the difficulty public authorities face in attempting to keep up with rapidly developing technology. Sources of disruptive technologies might find that following widespread adoption the only moderating force on their behaviour is concern over their image following public pressure. We believe political and public authorities should address the question: What kind of regulatory frameworks and standards should be established to address disruptive technologies leading to widespread change before unintended consequences are known?

2. We believe the citizen, and potential user, perspective should be the priority when presented alongside the industry perspective. Arguments should be balanced and address risks in order to generate broad support for new technologies, beyond a small group of early adopters. Additional effort should be made to address the needs of people and places in cases where uptake is slow but could achieve significant benefits.
3. Regulation and standards should serve citizens and aim to ensure that the user experience is prioritised. If no proactive approach is taken to regulation, the choices best for a market leader may be widely adopted, by default. The unintended consequence may be that large international commercial organisations 'de facto' set the future standards we will use.
4. An open digital architecture characterised by inter-operability facilitates the flow of data in real-time, and greatly supports effective use of emerging technology. Such a framework involves open access to open data, and shared access to an open application programming interface (API) supported by open standards.
5. Competition issues arise when proprietary lock-in to specific operating systems restricts use of data, and allows some to have greater access to data than others.
6. Processes in data intensive networks should operate with adequate security by design based on understanding of the data model, relevant network topology and potential points of failure.
7. Privacy and data integrity are now pressing concerns for both enterprises and service providers following the introduction of the General Data Protection Regulation.
8. Compliance can be supported by data based categorisation, so that wherever the data is in a network it can be categorised and deleted.
9. Data models could involve controls so that only the required data for desired outcomes is collected. Artificial Intelligence at the edge of a network could assist the prevention of the gathering of excess data.
10. Governance and standardisation of these processes, so that systems are controlled and can be closed in case of threats, is desirable but challenging for global institutions.
11. Secure operation should be more attractive than the alternative, supporting an ecosystem of trusted participants among which data sharing is facilitated, excluding those that operate less securely.
12. Artificial Intelligence should not operate without human understanding of what the systems involved do. Technological audit trails of how they operate and what data they use should be maintained. A standardised approach for doing so would support competition on an equal basis.

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