# Building the European data economy

## EUROCITIES response to the European Commission consultation

April 2017

Data is the backbone of the economic and social growth of cities. City authorities are pioneers in opening and re-using public sector data to innovate, create new and advanced data-driven services and solutions for their citizens, while empowering and engaging with them.

Data flow is crucial for the development of the data economy of EU cities. We would like the free movement of data to be fostered within the EU. Stronger EU regulations and measures on data security, together with common EU standards on cybersecurity and the implementation of the 'security by design' principle, should be put in place to guarantee public safety and security of cities in Europe.

Data access, availability and usability are vital for city authorities to ensure effective management of their cities. Access to and re-use of data collected in public spaces and managed by private companies should be regulated at EU level.

Data flow and the interoperability of systems are the basis of an efficient smart city market. The development and implementation of common and open EU city-led standards are necessary and city authorities can take a more active role in this.

## Free flow of data

The free flow of data is vital to the EU's economic growth. Digital technologies, and data flows that optimise their potential, encourage innovation and economic inclusion to address global challenges.

The free flow of data is particularly important for our cities to become smarter[1]: it helps support the ecosystem of the city by connecting all stakeholders and enhancing city collaboration across borders. It helps to reduce costs and regulatory burdens and foster innovation, offering opportunities to start-ups and SMEs to scale up, and to research and businesses to work on new products and services.

City authorities recognise the free movement of non–personal data in the EU as being as important as the free movement of goods, services, people, capital and knowledge. We welcome the communication 'Building the European data economy' and its objective to remove unjustified restrictions on the free movement of data for reasons other than the protection of personal data.

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[1] EUROCITIES statement on smarter cities: http://bit.ly/25UGQ2Y

However, we believe public security reasons currently justify data localisation restrictions within the EU. While we agree with the Commission that information security depends on a range of factors in addition to where the data is physically stored, data localisation could still be necessary to secure access to and availability of data. Full adoption and implementation of EU legislation and measures on cyber security and on data security are vital. Who accesses data, why and the level of security, are crucial elements to securing data. When a breach occurs locally, it is easier for city IT services to identify the cause and intervene digitally or even physically than if it occurs in another country. Common EU standards on cybersecurity and the implementation of the 'security by design' principle are essential.

In the meantime, increased transparency of restrictions is needed and if any data localisation restrictions for securing data access and availability are in place, they should be publicly available and explained. Appropriate guidance and training on data storage and processing within the EU and especially support funding would assist with achieving wider implementation.

## Access to and re-use of non-personal data

Non-personal data is increasingly generated through internet of things (IoT) and machine to machine (M2M) solutions. In many cases, this data is strategic, and crucial for the daily management of the city and for the development of new and innovative services and solutions.

City authorities often externalise the management of public spaces and services to private companies. These services rely on the collection and use of data. Data collected in public spaces can be crucial for preventive measures supporting public health and safety, improving urban planning, traffic management and managing energy supply. It supports local authorities' decision-making processes and the provision of essential services to citizens. However, at present, access to data generated by machines or through products and services is often limited, or unavailable, when the data is managed by private companies. Vendor lock-in practices hamper the development of innovative ecosystems and create interoperability issues that prevent the efficient (re)-use of data in and across cities in Europe

Current legislation does not guarantee free access by public authorities to data generated in the cities if not agreed in advance in specific contractual rules. Public authorities, citizens and local businesses must have access to data collected in public spaces where this would be in the general interest and would improve the functioning of cities.

A harmonised EU regulatory framework is needed based on fair, reasonable and non-discriminatory terms to provide access to and re-use of data collected in public spaces.

## Portability, standards and interoperability

Portability of non-personal data would encourage the widespread exchange of data with potential benefits for the EU economy.

For city authorities, data portability measures might result in lowering switching costs and in faster processes. However, it might be difficult to ensure the quality of the data. The more data is disconnected from the source, the more difficult it will be to guarantee

updates. Providing access to datasets URLs would guarantee the connection to the data source and help safeguard its quality.

Common and open standards are essential for enabling data interoperability, favouring the flow of data within the EU. Some of the challenges identified above, like those related to data security, could be mitigated with the development and implementation of cybersecurity standards in the EU.

There is still a need for more awareness raising and better knowledge about the importance of standards, among both politicians and civil servants. As EUROCITIES, with our network of over 135 large European cities, we support knowledge sharing and exchange. We are currently developing a guidebook on standards addressed to different target audiences.

The most important factors for the development of common standards in Europe are collaboration among the different key stakeholders and the response to challenges and needs of cities and their citizens[2]. The Commission should work more closely with standard-setting organisations to identify, widen[3] where applicable, promote existing standards and deliver new ones[4]. All these standards should add value when adopted by cities.

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[2] Cities' needs have been mainly identified through the work developed within the EUROCITIES Knowledge Society Forum (http://bit.ly/2bEJfag), the Green Digital Charter (http://www.greendigitalcharter.eu), CITYKeys project (http://www.citykeys-project.eu/) and our participation in the CEN/CENELEC/ETSI coordination group 'Smart and Sustainable Cities and Communities'.

[3] 'While there are already a large number of standards in many of the key technology and organisational management areas related to smart and sustainable cities and communities, those standards may not necessarily reflect the complexity of dealing with a smart and sustainable city or community as a system of systems, and the specific challenges that this brings', SSCC-CG Final Report, p33 http://bit.ly/1PNbihQ

[4] EUROCITIES statement on standards: http://bit.ly/2nKCg2D