WHERE WILL BIG DATA DRIVE EUROPEAN TRANSPORT?

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The advancements in technology brought about by data are often referred to as the next “industrial revolution” that will create unprecedented change in our economy and in the way we live our lives, affecting sectors as diverse and disparate as banking and biotechnology.

Transport and the automotive sector are no exceptions to this, and the Volvo Group is working hard to drive forward innovation that will reap the benefits that the data economy has to offer.

Current estimates suggest that unlocking the full potential of data could boost the economy of the EU by €8 billion per year – a boost which would improve the quality of life of Europe’s citizens and strengthen the economic basis on which the EU’s social model is founded. This great potential is what makes creating the right framework for the data economy so crucial.

The data economy is often portrayed as a vast and ever expanding world, and it is true that the possible uses of data grow the more that we learn and innovate. Today’s vehicles, for example, are increasingly connected meaning that they also generate tremendous amounts of data from which there is great potential to develop new products and services that can help achieving societal goals such as increasing transport and resource efficiency, improving road safety and...
facilitating traffic management. For all these purposes, vehicles collect, store, process and transmit data.

However, it is evident that data needs clear boundaries and balance needs to be struck between preserving data protection, privacy and safety, whilst not hampering innovation and new opportunities for growth and employment.

The core element of the European Digital Single Market is the free movement of data. Its potential benefit to the data economy cannot currently be fully unlocked due to the existence of national legislative or administrative data localisation requirements. Therefore the European Commission’s recently issued proposal for a Regulation on the “Free Flow of Data” ought to be welcomed as it aims to tackle precisely this.

As the European Commission highlights in its Communication, “Building the European Data Economy”, the amount of data generated as well as the value of the EU data economy steadily increases every year.

This has been possible because companies have used carefully drafted contracts to share data. Therefore, freedom for economic operators to share data through contractual arrangements is essential to further innovation, investments and continuous development of the data economy.

Furthermore, it is very important to find a balanced approach as regards third party access to machine-generated non-personal data. Giving any third party unlimited and uncontrolled access to vehicle data would create serious issues of security, safety and liability. Here again, the rights of access and use of data between commercial parties processing data should continue to be set by contractual arrangements, meaning there is no strong case for compulsory access rights.

Finally, it is important to note that the way that data is used in the transport sector is not the same as in healthcare, banking, or in our daily communications. Vehicles may interact with data and communications networks, but they are not smartphones on four wheels.

The dynamism of the data economy and its many uses should be reflected in the laws we create to manage it, and one size does not fit all. It is perhaps politically tempting to create huge packages of regulation that can be widely publicized, but the enormity of data should be treated not as a whale to be netted, but rather as a school of fish which needs direction but not heavy restraint.
Europe will have to work hard against competitors in China and the US to be a global leader in digital solutions for transport, an MEP involved in the issue told EURACTIV.com in an interview. Legislation must ensure common standards across the EU for transport to flow freely, she stressed.

Dita Charanzová also underlined the importance of balancing the wish for an unhindered flow of data with the need to handle information in the “most secure and safest way”.

Dita Charanzová is a Czech MEP from the Alliance of Liberals and Democrats for Europe (ALDE) group and Vice-Chair of the internal market committee (IMCO) in the European Parliament. She sent written replies to EURACTIV ahead of the European Transport Forum 2017 held on Tuesday (17 October), where she was one of the key speakers.

Do you agree that data could be the new fuel for the transport sector?

Yes, indeed, a brand new sector linked to personal mobility is built upon data flows and transfers. Both car manufacturers and technology companies are fully aware of it and focus a lot on innovation in this area. For us as legislators, there are a couple of key challenges in this regard.

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First, we should not create any artificial obstacles to data flows. Second, we need to make sure they are handled in the most secure and safest way, in the end, the data is strictly private.

What are the potential benefits of digitalisation in transport?

The potential benefits are numerous. By better managing traffic flows we can save a lot of time and energy, we can also help save the environment. There are already now systems available to help people park in the cities or share rides, which prove their effectiveness. Also, with connected cars, the comfort of consumers or drivers would increase enormously. Imagine that instead of fully concentrating on driving, which is the case today, you can work, study or do your shopping instead. This would bring us into an entirely new era.

What kind of a legal framework does Europe need to regulate digital transport? Very detailed and prescriptive, or a basic legislation that can be modified later once we see the effects in practice? Where would you draw the line between EU and member state competences?

I personally prefer less to more when it comes to the regulatory framework with regards to the new digital trends. Ex-post legislative approach is better suited for their fast evolution.

What we do need is common EU standards. We need to make sure that if a self-driven car drives from one country to another, it won’t stop at the border because of incompatibility issues. Such a cross-border transfer has to be as smooth as possible. Member states need to ensure that self-driven cars can circulate on their roads and that there is an appropriate infrastructure developed for them.

Are there already huge discrepancies in the digitalisation of transport among different member states?

That is hard to assess now, there is not much data on it. We can say that some member states, such as Germany, France or Netherlands, have already understood the importance of digitalisation in the transport sector and take it as a serious part of their political debate. Germany has even recently adopted a legislation on automated driving.

Some member states perhaps pay less attention to it now, but I think it is a debate we will need to have sooner or later among all members on the EU level.

What are the main challenges for the legislation? How do you think the issue of data privacy and ownership should be regulated?

Data privacy is definitely one of the key issues, but not the only one. As I said, setting common standards, but also dealing for instance with issues such as liability in case of accidents will be challenging.

On data privacy, I believe that we can see already now that the manufacturers do take it very seriously. We have, in the EU, a solid data privacy legislative framework which, I think, can fit quite well also the transport sector for the time being.

In your view, is Europe behind other parts of the world in this respect, or has it moved early enough and can be a global leader in implementing digital solutions in transport?

I hope Europe can be a leader on the global scale in this area. We see many companies working hard on it, investing considerably and thriving through innovation.
The digitalisation of transport is set to transform the European economy, provided politicians put in place common standards and regulate the free flow of data, while managing privacy, industry and EU officials said this week.

The data economy is already growing at a fast pace and accounted for 2% of European GDP in 2016, said Alina Ujpan, a staffer who works in the cabinet of EU Digital Commissioner Mariya Gabriel.

"With the right legislative environment, we expect the size will double by 2020 and have around 10.5 million people working in it," Ujpan told the European Transport Forum in Brussels on Tuesday (17 October).

“Digitalisation of transport, particularly automated driving, is one of the most important trends that will transform industry in Europe. The challenges we face include spectrum, liability, cyber security, data use, access and privacy, who owns the data.”

Ujpan said the Commission wanted to act as a catalyst and support the industry “so that Europe keeps its edge”, but would refrain from making technology choices.

“That is for the industry, but we should be there to provide the right framework,” she said.

Niklas Gustafsson, the chief sustainability officer at Volvo Group, the truck maker, said there was ”huge potential with connectivity”. But he said there were still some barriers for the development of digital transport, highlighting the need for having a standardised data format as a key

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We need to make sure that the free data that is flowing is actually standardised in such a way so that we can all understand the difference between different kinds of data. For instance, safety-related data, which is extremely important for us as vehicle manufacturers, to ensure that we are actually producing safe vehicles.”

Dita Charanzová, a Czech MEP (ALDE) and vice chair of the European Parliament’s internal market committee, agreed and called for any legislation on the issue to be future proof.

“The key here is to have the one European approach. We have to avoid having different standards in different states. I think we’re on the right track, though we see from some member states that they are adopting different legislation for driverless cars, that can be very dangerous,” Charanzová told the forum.

She highlighted a related issue: “We need to have a seamless 5G network so that the car is not blocked at borders because countries have different systems.”

Vincent Kobesen, CEO of private firm PTV AG, which produces transport and logistics software, summed up the remaining key questions related to digital data.

“I think the first one is the question of who owns the data, that is still not answered. Is it the person itself, or the logistics provider, or the telephone operator, or the city that has access to the data? So it has to be answered”.

The second, he said, was data security. “Data security is very important, of course, because we don’t want to be followed but on the other hand, it is important that we get detailed data. So it’s a little bit of a dilemma but I think politicians have to do something there.”

Cooperation between different data suppliers, he said, was largely lacking at the moment.

“There are a lot of data suppliers and they don’t cooperate at the moment. So I think there is a bit of sub-optimisation there and I think when we bundle all the information, we get the best data and that data can be used by everybody.”

Gustafsson said the Volvo Group already had 600,000 connected vehicles around the world, which produce, store, process and transmit data.

“We can see here that with the help of data we can make the transport sector much more efficient. We can ensure that we have safe vehicles on the road, sometimes with automated driving. We can ensure that we have environmentally friendly vehicles because we can connect the vehicles in a good way so that we get the highest possible efficiency out of the transport system.”

Speaking about data networks, Charanzová told EURACTIV.com this week she preferred the ‘less is more’ approach for regulating new digital trends.

According to her, there should be two networks of data. “One essential, regulated at European level, and then the second flow of data, non-essential, where I see already companies acting. We need to leave it on a contractual basis. I would leave it for the moment.”
Top policy-makers and stakeholders gathered at the European Transport Forum in Brussels for a high-level debate on the potential of the use of data in the transport sector. The theme of the 2017 debate, which took place on 17 October, was “How Can the Data Economy Unlock the Full Potential of European Transport?”

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