

Exercise 4

Regulation and Data Protection

Mobile Business II (SS 2020)

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- Exercise 1:
 - Briefly explain the goals and purposes of regulation and regulation bodies.

- Regulation limits the market power of a dominant supplier, prevents monopolies from demanding high prices and providing inflexible services. Regulation aims to encourage national and international competition, to foster innovation through competition.
- In the case of (mobile) telecommunication, regulation was/is also needed to path the way from state-owned to privatized operators.
- Today, governments and regulators must demonstrate the need for regulation and use the most efficient method to achieve their goal.

- Exercise 2:
 - What does regulation mean for the mobile communication market?

- **Adoption of mobile telco in general:**
The spread of digital mobile telephony was to a large extent due to a general acceptance by operators and equipment manufacturers of the GSM standard (adopted by 210 countries) and CDMA standard (adopted by Japan and South Korea).
- **Mobile Services**
The emergence of mobile communication had quite an impact on the telecom regulation at all levels, with licensing and frequency management being the main regulatory issues for the introduction of mobile services. (see 5G Auction)
- **Other effects:**
In addition, regulation related to interconnection and tariff regulation, pricing, or numbering were necessary for the development of a competitive and innovative market.
- The goal is to promote universal access to basic mobile communication services

- Exercise 3:

Regulation of Roaming:

- a) Briefly explain the reasons and objectives of roaming fees regulation within the EU.
- b) What are the consequences of these regulations for the users and mobile network providers?

Roaming:

- Using your mobile phone outside the range of your home network by connecting it with another network.
- Home network and visited network have a roaming agreement that details costs and services provided.
- Used to be extremely costly. Possible reasons:
 - Customers did not care
 - Inelastic demand by customers
 - Inefficient market. All players want to profit
 - Missing regulation

Exercise 3: Solution a) + b)

- The reasons for the regulation of roaming fees within EU are high prices for the calls, lack of price transparency, and market failure due to the influence of several companies which leads to monopoly.
- The goals of EU regulations of roaming fees are to protect the consumers, to reduce user costs by stimulating a price competition between the network providers, and to maximize the resource distribution.
- Some consequences of these regulations are
 - An upper bound on the incurred costs for the network providers
 - Lower prices for voice, text and data services for the users
 - Higher transparency, and similar prices for international and national text messages.

- Exercise 4:

EU General Data Protection Regulation (GDPR).

- a) The GDPR is all about protecting personal data. What is personal data?
- b) According to the GDPR, can personal data be sold? Please use the GDPR to answer this question and provide your own opinion on this subject as well. Should personal data be able to be sold and bought? Who owns personal data?

- a.) Art. 4(1) GDPR: „ *‘personal data’ means any information relating to an identified or identifiable natural person (‘data subject’); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person;“*
- *The GDPR is only applicable for personal data. Completely anonymized data is not regulated under the GDPR.*

b) According to the GDPR, can personal data be sold? Please use the GDPR to answer this question and provide your own opinion on this subject as well. Should personal data be able to be sold and bought?

Art. 4(2) GDPR: „ ***‘processing’ means any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction;***“

Answer:

„Selling“ may be seen as a form of processing within the GDPR.

b) According to the GDPR, can personal data be sold? Please use the GDPR to answer this question and provide your own opinion on this subject as well. Should personal data be able to be sold and bought?

Answer:

- Non-personal data can be sold like e.g. an Apple, it is however different for personal data!
- Personal data protection is a fundamental right. You cannot sell your rights.
- „Licensing“ may be seen as a form of processing within the GDPR.
- Personal data may be licensed and granted access to. Payment is granted for the right to access and process the data, under consideration of the rights of the data subject (Art. 12-23) and the obligations of data processor and controller (Art.5-11). Contracts are used to specify this licensing.

b.) Who owns personal data?

Answer:

- Ownership of personal data is not defined, current academic view is that personal data cannot be owned (Recital 7 GDPR states that “*Natural persons should have control of their own personal data*”).
- Research is being done towards the ownership of data.