

DATA ACT: INTEROPERABILITY AND DATA SHARING SERVICES

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THE ISSUE IN BRIEF

Interoperability is a key design principle for the open internet, increasingly seen as a measure that not just increases market competition, but also secures a more just environment for the users. The <u>Data Act</u> introduces interoperability as a key measure of the European data governance framework. Together with provisions for business-to-business data sharing, it constitutes a strong framework that is meant to secure the objective of the Act – the allocation of value from data among actors in the data economy.

These provisions, if adopted, will also complement interoperability measures in the Digital Governance Act (DGA) and the Digital Markets Act (DMA). As an effect, interoperability is set to become a key policy principle, introduced across the current policy package, with the aim of making digital ecosystems more open, just and diverse.

WHAT IS THE COMMISSION PROPOSING?

With Chapter VIII of the proposal, the Commission can task European standardization organizations to draft harmonized interoperability standards. Furthermore, it can adopt common specifications in situations where harmonized standards are insufficient. Finally, the Commission can also adopt guidelines that lay down detailed interoperability specifications, for example architectural models and technical standards. As such, the chapter secures measures that will allow the Commission to define and mandate interoperability in detail.

This approach is based on the lesson learned from the implementation of data portability provisions in the GDPR, and previous attempts at introducing interoperability of public sector digital infrastructures. The GDPR mandated the right without specifying its technical characteristics, leading to a limited real-life uptake of data portability by digital platforms.

These interoperability provisions apply in particular to common European data spaces, data processing services and smart contracts – that is, to key elements of the new European data governance framework, introduced by the Data Act.

Interoperability requirements apply in particular to common European data spaces, or more precisely their operators. Common data spaces are a core element of the European Strategy for data which will be supported by the Digital Europe Program. This allocated €410M alone for the deployment of thirteen such spaces and the supporting cloud-to-edge infrastructures.

Common data spaces, according to the Commission's vision, will also enable the functioning of data intermediation services, defined in the DGA. The provisions for data interoperability contained in the proposed Data Act are another step that clarifies the regulatory architecture of common data spaces, by mandating that essential requirements are adopted that specify dataset content, use restrictions, data structures, and technical means accessing the data (including API specifications). The APIs for data spaces are meant to "enable automatic access and transmission of data between parties, including continuously or in real-time in a machine-readable format" (article 28).

New interoperability standards will also affect other technical fields, such as cloud computing services (or data sharing services, using the terminology of the Act), by allowing users to switch across data processing services (Chapter VI). Providers of these services need to comply with open interoperability specifications or European standards for interoperability. Furthermore, the regulation requires these providers to make available, free of charge, open interfaces that facilitate switching. This is done with the purpose of allowing users of data sharing services to port their data and digital assets across similar data processing services.

According to recital 76, open interoperability specifications and standards are crucial to enable a "seamless multi-vendor cloud environment", which is a key requirement for innovation in the cloud industry in Europe. These measures will establish a competitive cloud market, which is a core goal linked to Europe's digital sovereignty ambitions. This will not only mitigate potential vendor lock-in scenarios, but also reduce foreign dependence on cloud providers.

ANALYSIS AND RECOMMENDATIONS

Interoperability is a key principle that will help achieve the stated goal of the Act: fairness in the allocation of value across the data economy. Clauses provided in Chapter VIII are crucial to enhance society-wide data sharing. From a user's perspective, they will also ensure greater agency and control over data.

The Data Act offers the opportunity to go beyond the data portability approach introduced by the GDPR, which has proven ineffective. Furthermore, these interoperability rules will apply not just to personal data, as data spaces are envisioned as applying foremost to non-personal data. Commitment to open standards and interfaces, and a mandate for defining harmonized standards will serve to strengthen the interoperability of the data economy.

Commitment to interoperability is especially important for the common data spaces. At the same time, the Data Act does not provide a clear definition of what a common data space is, beyond securing interoperability within and between data spaces. Furthermore, the concept of a data space operator is introduced, but without providing further clarification of this role. Hopefully, the data spaces will be operated by public bodies with a strong public interest mandate. The European Commission should also commit to mandating that interoperability in these spaces is established through open standards. Similarly, a high level of compliance with FAIR principles should be ensured.

The role of the European Data Innovation Board (EDIB) with regard to securing data interoperability needs also to be clarified. It comes as a surprise that the Data Act does not refer to the Board, which is established in the DGA with the goal, among others, to establish interoperability frameworks for data intermediaries. The interoperability framework in the Data Act is defined as more centralized than that for data intermediaries, which depends more on self-regulation by data intermediaries.

For more information on this policy brief and our ongoing work on the Data Act please get in touch with <u>Alek Tarkowski</u>. You can follow our work at <u>openfuture.eu</u> and <u>@openfuture_eu</u> or by subscribing to our monthly newsletter.



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