

Global Forum Stockholm



# Cloud mercantilism: a threat to global innovation and growth

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- **Benefits of Cloud**
- **US Patriot Act: debunking the myths**
- **Localization requirements**
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# Business Transformation

**verizonbusiness**

**Cloud Services**

HQ  
LOCAL BRANCHES  
DATA CENTERS

Premier Global IP Backbone

The diagram illustrates a global network infrastructure. On the left, icons represent 'HQ', 'LOCAL BRANCHES', and 'DATA CENTERS'. These are connected to a central cloud labeled 'Cloud Services' containing server racks and an 'iID' icon. Below, a world map shows a 'Premier Global IP Backbone' with red lines connecting various server nodes across continents.

**verizonwireless**

**3G**

**4G LTE**

The diagram shows two sections of wireless services. The top section is for '3G', featuring a smartphone, a tablet, and a radio tower icon. The bottom section is for '4G LTE', featuring a tablet displaying a video gallery, a smartphone with a 'THUNDER BOLT' screen, and another radio tower icon.

**FiOS**

Connected Home

The diagram shows a central house icon surrounded by six circular callouts, each containing a different home entertainment or communication device: a laptop, a television, a smartphone, a tablet, a landline phone, and a Blu-ray/DVD player.

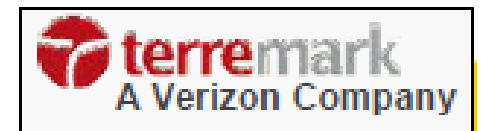
**Advanced global assets, basis for innovative business models**



# Cloud Solutions for a Connected World



- Data Center
- Cloud Enabled Data Center





# Benefits of Cloud – Flexibility, Cost Efficiency, and a Platform for Innovation

**“In small and large enterprises as well as government offices around the world, one thing has become perfectly clear: Cloud computing marks the next contribution that software and computing technologies will make toward greater productivity and expanded economic growth.”**

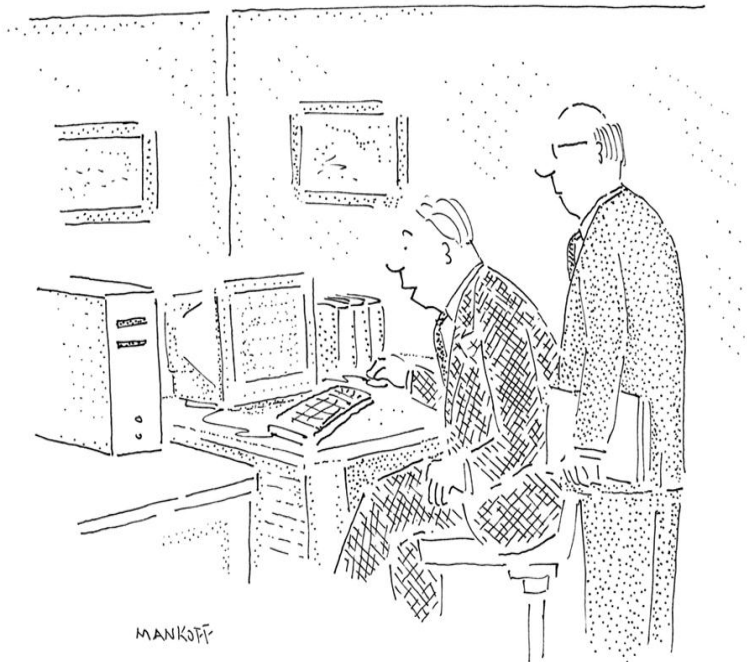
– *Business Software Alliance, BSA Global Computing Scorecard (2012)*

- ✓ Equalizes access to technology and opportunities for innovation
- ✓ Improves efficiency, productivity and competitiveness for businesses in the global marketplace
- ✓ Allows governments to improve citizen engagement as well as productivity



# Debunking the Myths of the Patriot Act and USG Access to Data Stored outside the US

**The Perception: US Patriot Act grants the USG unfettered access to cloud data**



*"No, I'm not backing up our files—I'm just assuming that the F.B.I. is making copies."*

**The Reality: The Act does NOT grant the USG unfettered access to cloud data**

- 1. The Patriot Act is a law of very limited application: it applies only to national security (terrorism) investigations within the US**
- 2. The Patriot Act does not allow access to customer data: it only applies to the companies own business records**
- 3. USG has no authority to execute (carry out) a search warrant outside the US**



# Data Localization Rules hamper Global Cloud Services – some examples

Country	Measure
Australia	Draft bill: a local data centre is required for the personally controlled E-health record system
Canada	Anti-export law: personal information collected in Canada must be stored and accessed only in Canada
China	Data residency laws: companies can only store the data they collect on servers in China
France	Systems for interception of electronic communications must be established and implemented in France
Greece	Data generated and stored on physical media in Greece shall be retained within the territory of Greece
India	Data residency laws: companies can only store the data they collect on servers in India
Indonesia	Draft local data centre law: data carriers, incl. MNOs and foreign banks operating in Indonesia must have a local data server/center
Turkey	Electronic communication providers must store all customer data within country borders

For further examples: see <http://www.globaltradealert.org/>



# Privacy Related Constraints on Cross Border Data Flows

## Privacy related constraints on cross border data flows

### Various Countries

Several countries have adopted privacy related requirements that constrain cross border data flows. These privacy laws should be interoperable and built on common principles. But several countries impose adequacy requirements that effectively force localization of data since most laws are not exactly the same and do not meet the adequacy standards.

Argentina (adequacy requirement)

Australia (need consent or substantially similar protections)

China (financial data collected in China to remain there for processing unless you get an exemption, some provinces require consent from provincial authorities)

Colombia (consent or adequacy)

EU (adequacy, Safe Harbor or BCRs)

Hong Kong (consent or adequacy)

India (consent for sensitive data)

Korea (consent)

Malaysia (adequacy)

Mexico (adequacy)

Russia (consent or adequacy based on the COE convention)

Switzerland (adequacy)



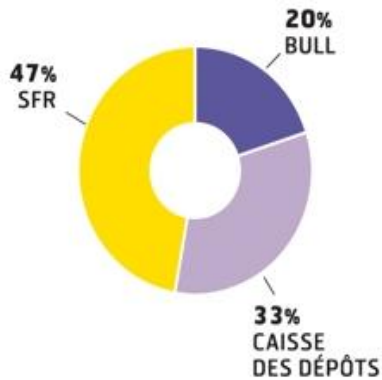


# Stimulation of Domestic Cloud Industry – can create Obstacles for Foreign Cloud Providers

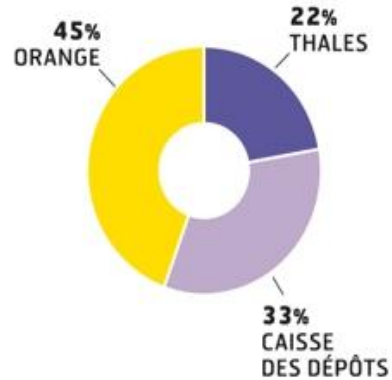
## LES DEUX CHAMPIONS NATIONAUX

RÉPARTITION DU CAPITAL DES DEUX NOUVELLES SOCIÉTÉS

**NUMERGY**  
225 M€ DE CAPITAL



**CLOUDWATT**  
225 M€ DE CAPITAL



« LES ÉCHOS » / SOURCE : SOCIÉTÉS



# Conclusion: Free Trade and Cross-border Data Flows are Critical to unlock the Potential of Cloud

