

Brexit and mobile telecommunications: What does the future hold?

The European Union. Love it or loathe it, the fact is we've voted to leave it, and whilst this has inspired all kinds of different feelings and emotions across these Atlantic Islands, there is one that we can probably agree we've all experienced at some point, or are indeed still experiencing: *uncertainty*. We are uncertain about how we will trade with the rest of the world, uncertain about how the UK economy will adapt to this new reality, uncertain about how it will affect us personally. Within industry the ramifications of Brexit are being debated and explored every day and in no sector more so than mobile telecommunications.

An obvious place to begin exploring how a Brexit Britain will affect the industry is with regards to data roaming charges as it is an issue that could affect everything and everyone from multinational businesses to mobile phone and tablet owners who enjoy European holidays. Fortunately, Brussels law-makers stepped in recently to prevent mobile phone networks from walloping people's bills with the notorious and hefty fees and by the end of next summer. The surcharges, which apply to calls, texts and internet usage will be abolished altogether. Great if you're a citizen of the EU but where does it now leave British holiday-makers and business travellers?

For the time being there will be no change and when article 50 is invoked there will still be two years of status quo until Britain's separation is finalised. It's what comes after that is troubling. Brussels-based lawyer and expert in EU competition law, Kyriakos Fountoukakos explained, "*If the UK leaves and is outside the EU and the EEA [European Economic Area], the regulation will not be automatically applicable in the UK.*" To put it bluntly we'll be pretty much at the mercy of the UK government and the mobile networks. It seems unlikely that any UK government will turn a blind eye to the networks hiking their prices for UK travellers, as it also seems unlikely that the networks would want to do so, knowing how it could well lose those customers. But that's about all as much as we have to cling onto at the moment; *unlikely*.

Given the immediate broadness of its potential effects on people's purse-strings, data roaming stands as the headline grabber of all things post-Brexit data-related, but there are other serious implications to consider. Amongst the most serious is privacy. Strict EU rules on privacy mean that online data, whether pictures, emails, health, or financial records can only be transferred within the trading bloc or to countries that guarantee an "adequate" level of protection.

As the future of the global tech industry, from fintech and cyber security, to connected devices and cars will be largely dependent on the storage, quick accumulation and analysis of large chunks of data - this poses big questions for British businesses. The UK government is presented with a difficult choice on its new data protection management, which would be outside of EU rules for the first time.

When, Britain leaves the EU, the right of UK businesses to distribute data wherever they like within the union vanishes, and British companies face being treated like any other non-EU organisations. This leaves a Brexit Britain essentially two options: implement the EU's rules on general data protection due to come into force in 2018, or devise its own data protection rules based on the EU's and hope Brussels agrees to them.

The first of these on paper is the simpler option. The UK was a significant pro-business voice in the making of the EU rules, although they do contain some of those directives deemed unwieldy such as even small companies needing to hire a data protection officer.

The second, though in keeping with most Brexiter's vision of a truly independent Britain, is significantly more complex. European regulators could decide any British devised rules are inadequate, which would mean isolation for UK-based businesses, increasing both cost and inconvenience to companies.

Then there is the question of cloud based services. Many UK businesses currently store their data online on servers contained within data centres across the EU. With Britain outside of the Union, using those same suppliers will be outside of the Data Protection Act and agreements put in place across the bloc will not apply to the UK. Essentially what this means is that EU companies will not be obliged to meet any standards regarding the storing and handling of UK data. This could potentially mean corners are cut with security or network structures in order to meet certain price points. Potentially.

One interesting upshot of Brexit could be a new relationship with the US. Last year's breakdown of the 'Safe Harbour Agreement' between the EU and the US, which sought to regulate the storage and handling of data between the two, meant that the UK - bound by the EU - could not use American companies. With Britain out of the EU the option to use American companies is placed back on the table. However, there are two points worth noting here; firstly, a weakened pound may make using foreign services, including the US, more expensive than using services in the UK. Second is the reason the 'Safe Harbour Agreement' broke down in the first place. Even if US services work out cheaper it should be noted the Agreement broke down after judges at the EU's highest court ruled that overzealous snooping by US spies violated the rights of EU citizens. Cheap and secure in this instance, may not go hand in hand.

So where does all this leave us? Some of the words used in this piece may help answer the question: 'unlikely', 'could', 'potentially'. In short, there is no crystal ball, but with this level of uncertainty, choosing your mobile telecommunications provider just became a decision you may want to think about that little bit more carefully.