

US cautions EU against costly online data privacy rules

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European Justice Commissioner Viviane Reding proposes a comprehensive reform of EU data protection rules on January 25 at the EU Headquarters in Brussels. The United States will closely examine the European Commission's online privacy legislation and wants to ensure it will not be too costly for companies to do business, a senior US diplomat said Thursday.

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Philip Verveer, the US coordinator for international communications and information policy, welcomed European Justice Commissioner Viviane Reding's focus on this area, but said her plans raised "quite complex" issues.



"Surely what was released yesterday will be very closely examined around the world. I can assure you we are doing that in Washington," Verveer told reporters in Brussels, where he met EU officials to discuss online privacy questions.

"What is very important I think is to try to avoid a situation where there are requirements that may unnecessarily add to compliance costs or <u>administrative costs</u> that will diminish the efficiency with which services can be rendered," he added.

One "noticeable aspect" of Reding's proposal is the powers it would give to national data protection authorities, he said, adding that the United States wants "to understand it better."

The commission proposal would give such authorities the power to investigate and impose fines on companies of up to one million euros or 2.0 percent of global annual turnover, which could be expensive for giants like <u>Google</u>.

The US government, which will soon release its own proposals to enhance data <u>privacy protections</u> for <u>American consumers</u>, will keep contact with EU officials to try to get "mutual recognition" of each initiative, he added.

The White House proposal will offer "a somewhat different approach" but will also welcome comments from EU officials, the envoy said, adding that the goal was to have two "interoperable" systems to reassure citizens on both sides of the Atlantic that their data is well protected.

Reding's proposal would force companies to get explicit consent from customers to collect their data, explain how it will be used, and allow users to totally erase their information.



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