

## GDPR Graveyard

How has Europe fared approximately one year after it enacted the General Data Protection Regulation? Let's take a look.

**Many American companies have had to stop offering or shut down their services and operations in the European Union. This is troubling, considering that [two-thirds](#) of America's exports of digital media, goods, and services go to Europe.**

- As of March 2019, at least 1,129 websites were still [blocked](#) in the European Union, mostly local news sites.
- Home goods store [Pottery Barn](#) and [West Elm](#) stopped selling its products online to customers in the EU. (May 2018; June 2018)
- The History Channel and Lifetime Channel (both owned by A&E Television Networks) [do not allow](#) European viewers to watch online. (May 2018)
- Instapaper, an online bookmarking service, [stopped](#) serving its users in the EU. (May 2018)
- Payver, a California-based company that pays users to collect information on road conditions, [no longer operates](#) in the EU. (April 2018)
- Klout, which measured its users' social media influence, [shut down](#) because of the GDPR. (May 2018)
- Video game companies [Uber Entertainment](#) and [Gravity Interactive](#) have stopped operating their online games in the EU. (April 2018; May 2018)
- Marketing platform Verve has [shut down](#) its European operations, impacting 15 employees. Likewise, Drawbridge, a marketing company from California, [left the EU](#) because of the GDPR. (April 2018; May 2018)
- [Ysearch](#) and [Mitosearch](#), public genealogy databases associated with Texas-based Family Tree DNA, stopped all operations because of the GDPR. (May 2018)
- Over 1,000 news sites—including the *Los Angeles Times*, the *Chicago Tribune*, and the *New York Daily News*—have [shut down](#) in the EU. This means that not just Europeans, but also Americans visiting Europe, cannot access their favorite news outlets. (August 2018)
- These aren't the only companies negatively impacted by the regulation. [Brent Ozar Unlimited](#); [Ragnarok Online](#), and [Tunngle](#), [Motosport](#); the [Twitter apps for Roku, Android TV, and Xbox](#); [Parity ICO Passport Service](#); [Monal.im](#); [Loadout](#); [Unroll.me](#); [Steel Root](#); [CoinTouch](#); [StreetLend.com](#); and [Super Monday Night Combat](#) all shut down or left the EU.

**The GDPR has limited European Union residents' and the international communities' access to information, including American newspapers and community statistics.**

- AEI scholar Roslyn Layton [testified](#) that the GDPR “would likely violate the First Amendment, as the requirements for data processing are so onerous that they would be found to limit expression.”

- In Sweden and Denmark, churches are traditionally the official registers of baptism, wedding, and funeral information. Now, some churches [aren't printing](#) that information in their programs unless they obtain consent first.
- Europe claims that the GDPR covers all data that concerns Europeans. This means felons can use [right to be forgotten](#) provisions to force search engines to remove articles about their crimes. In Finland, a convicted murderer used this provision to require Google to delete all information on his case. French regulators are now demanding that this right apply globally, since the GDPR covers all data in the world that involves Europe.
- In order to comply with the GDPR, ICANN [announced](#) that it will allow registries and registrars to obscure WHOIS information. This could lead to more illegal activity online, such as intellectual property theft, fraud, human trafficking, and cyberattacks.

#### **Complying with GDPR has proved to be a massive burden for most companies.**

- According to a [survey](#) by the International Association of Privacy Professionals, the average firms says that it will spend a total of \$3 million to comply with the regulation. That can be prohibitive for a lot of small- and medium-sized companies.
- The association reports that 19 percent of privacy professionals do not believe that their companies will ever be fully in line with the GDPR's rules.
- The European Union even reported that approximately half of small businesses are not compliant with GDPR.
- As of February 2019, there have been over [59,000 reported data breaches and 91 fines](#) – potentially devastating for small businesses.

#### **Small- and medium-sized firms are finding it harder to compete and innovate.**

- Small- and medium-sized advertising tech companies have [lost](#) up to one-third of their market position. Meanwhile, large companies that have the tools and resources to comply with the GDPR are [maintaining or growing](#) their market share.
- Europe claimed businesses would benefit from a "[level playing field](#)," but SMEs are struggling digitally. While large companies have been able to maintain their websites' interactive functionalities, fewer SMEs have been able to, according to the European Commission's Digital Scoreboard [report](#).

#### **Despite the onerous rules to "protect" consumers, the GDPR will likely not boost Europeans' trust in and usage of digital services.**

- An Information Technology and Innovation Foundation [study](#) found that strong data protections do not necessarily lead to increased trust.
- The study also examined usage rates for different technologies before and after Europe implemented a privacy law. The United States showed higher increases in usage of the Internet, social media, and online shopping than the European Union did.

For more information on why GDPR-style regulation would be bad for American businesses and consumers, contact Katie McAuliffe at [kmcauliffe@atr.org](mailto:kmcauliffe@atr.org).