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**Joint Statement of the European Telecom Social Partners
on Reconciling Innovation and Privacy Protection to the Benefit of the
European Data Economy**

The value of the European data economy could reach up to 740 billion euros, or 4% of the European Union's total GDP, by 2020. Smart solutions such as big data analytics, the Internet of Things, and connected driving thus have the potential to trigger a fourth industrial revolution.

This new wave of digitization could lead to disruptive change and significant job displacement. However, data-driven innovation can also create many new, high-skilled jobs. The European Union was home to over 6 million data professionals in 2016, representing about 3% of the overall workforce. By 2020, the number of data workers could increase to 7.1 million, with demand still greatly exceeding supply.

The European telecommunications industry will provide the backbone of this data revolution, which is high-speed networks for the transmission of large volumes of data. Over the next five years, global Internet traffic will increase threefold, mobile data traffic alone will grow sevenfold, and machine-to-machine connections will more than double.

European telecommunications operators aim to use the data generated and carried over their networks to develop innovative solutions with great economic and societal benefits, such as smart cities. Their ability to compete in the data economy is increasingly crucial in determining their capacity to maintain and create smart jobs. However, some figures show that the European telecoms sector has lost 30% of its employees in the past 6 years.

Growth and job creation depend strictly on a conducive regulatory framework. The telecommunications industry in fact suffers from a heavy legislative burden that holds it back in a fast-evolving digital market. For European telecoms to remain key players in the data economy, there is need for fair and future-proof regulation that enables them to compete with global service providers on an equal footing.

Fair and future-proof rules for the protection of personal data is particularly essential to foster a data-based economy. Innovation should never be undertaken at the expense of citizens' privacy. Conversely, European companies offering competitive products and services that fully respect the privacy of their consumers will strengthen citizens' trust in those innovative solutions.

The new European General Data Protection Regulation (GDPR) marked an important step in balancing privacy concerns and innovation. Standardised rules across the European Union

and key principles such as privacy by design will benefit consumers' confidence in data-based products and services and will level the playing field for all companies in Europe.

We regret that the proposed ePrivacy Regulation (ePR) risks undermining the GDPR promise for fair and harmonised rules for all companies and all consumers in the digital economy. Instead of bringing the old sector-specific privacy rules in line with the new GDPR, the ePR perpetuates the competitive discrimination that European telecom operators suffer against other global players that process the same types of data but are only subject to horizontal European rules.

European telecoms put the protection of their customers' confidentiality at the centre of their business models. They are not in the business of hoarding and monetising valuable personal data through "free" services; they are in the business of retaining and growing their customer base by ensuring trust in their services. Privacy and confidentiality are key pillars of trust in telecommunications services.

However, the ePR puts an extra layer of obligations for the processing of communications data upon telecoms while allowing other service providers that base their whole business over the use and monetisation of similar data (e.g., location data) to comply only with the GDPR. Stricter rules for the processing of location data, in addition to and in contradiction with the already high standards established by the GDPR, would penalise European telecoms and put them at a competitive disadvantage with other players in the European and global digital markets.

Therefore, UNI Europa and ETNO urge European legislators to carefully review the ePR proposal and align to the greatest extent possible the ePR's obligations for the protection of communications metadata with the conditions applicable to the processing of personal data under the GDPR.

Telecom operators are committed to seriously implement the GDPR as of this year and consider its principles as the golden standard for all players across the European data economy. Any measures that diverge from this harmonised standard would undercut the ability of European operators to keep pace with innovation in data-driven technology and to employ high-skilled workers.

European service workers and European telecom companies are united in their endeavour to enable a thriving and competitive European digital economy. Reconciling the protection of citizens' privacy with the ability for all sectors to fully tap into the potential of data in equal grounds is an essential condition for the European consumers, workers and consumers to flourish.