

# NOTA DE PRENSA

## PRESS RELEASE

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### TELEFÓNICA CALLS FOR A NEW DIGITAL DEAL TO ENSURE DIGITALISATION BENEFITS EVERYONE

- **This deal should be the result of public-private cooperation to guarantee digital inclusion; adapting social and economic policies to current digital companies; and greater commitment and responsibility by global internet platforms.**

**Madrid, 25th June 2018.-** Telefónica presented today the second edition of its Digital Manifesto, which defines the fundamentals that should guide public policy in democracies of the digital era to ensure that the benefits of digitalisation reach everyone in a rapidly changing technological, political and social environment.

In the new Manifesto, an entirely renewed document from the one presented in 2014, Telefónica highlights the benefits of digital technology in improving the lives of people and society in general and warns of the possible risks that this new era of technological disruption will bring. These are risks that Governments and businesses must mitigate jointly through new regulatory models and social policies that don't become hurdles to economic development and innovation. "It is time to reach a new consensus, a New Digital Deal that guarantees that the important benefits derived from digitalisation are accessible to all," said José María Álvarez-Pallete, Chairman of Telefónica, in the Manifesto's foreword. "This requires a modernization of social, economic and democratic institutions, as well as greater public-private collaboration."

#### **A "New Digital Deal": digitalisation centred on people**

Telefónica maintains that many of the current regulatory frameworks and standards are not adequate to the challenges posed by the new and complex digital environment. To adapt them, multiple social agents must collaborate to define the foundations for a fair and democratic use of new technologies. Sustainable digitalisation with a focus on people requires profound changes in public policies ensuring that technology will reduce inequality.

"We need a new regulatory paradigm that applies the same rules to the same services and that guarantees that all companies have the same opportunities to innovate. The authorities must intervene with agility when necessary to guarantee fair competition and the rights of users", underlined Pablo de Carvajal, Group General Council, Public Affairs, Regulation and Responsible Business, at the presentation of the manifesto. The presentation event was closed by Ignacio Moreno, member of the Board of Directors of Telefónica SA and chairman of its Regulation and Institutional Affairs Committee.

Five main principles should guide the debate on a New Digital Deal:

1. **Digitalisation must be an inclusive process in which we can all participate.** Billions of people around the world are still not connected, and without connectivity there is no digitalisation. To achieve this, the deployment of broadband should be a priority for public administrations. The private sector has to apply new models of infrastructure deployment and broadband marketing in areas without access that are sustainable from an economic point of view. These models have to be

supported by new regulatory frameworks and tax policies that encourage the development of infrastructure.

2. **Social and fiscal policies must adapt to the current digital companies.** Governments must adopt the necessary policies to ensure that citizens are ready to navigate in the new digital environment. In collaboration with other social agents, they must provide adequate education and training to ensure the right to employment of individuals facing the risk of automation of many jobs as a result of the strength of the internet of things (IoT) and artificial intelligence. In addition, their social policies must modernize and adapt to the reality of new markets, so that they can protect the rights of workers and society in general. In order to continue running these social policies, it is very important that they also implement a clear tax system that obliges global digital service platforms to pay the corresponding local taxes and contribute fairly to the development of the countries in which they operate.
3. **Users must have transparent knowledge of their data and have control over how and when to use them.** This is the only way to earn their trust and to exploit all the potential of data as the promoter of positive social change in areas such as health, education, transport and climate change. To achieve this trust, it is necessary to guarantee the security and privacy of the data. Once again, new forms of public-private partnership are needed along with an additional effort to guarantee the security of digital products and services. Furthermore, it is the responsibility of States to guarantee the security of their citizens' data using the appropriate mechanisms while respecting their fundamental rights.
4. **For the sustainability of the internet, global platforms of digital services that are responsible and committed to social development are needed.** In this regard, governments and regulators must ensure the application of existing values and laws. In turn, data have become a great competitive asset, and this should be considered by the authorities in the supervision of the markets to avoid positions of dominance and to prevent large global internet platforms from becoming the de facto guardians of users' digital experience. To guarantee its sustainability, it is also necessary to ensure the ethical use of artificial intelligence and algorithms, especially by these large platforms.
5. **The modernization of social policy and the rights of citizens in the digital world are required as well.** To this end, Telefónica advocates for a Digital Bill of Rights created with people in mind, that also protect its values and fundamental rights in the digital world. Legislation and the supervision of the market should focus on the regulation of activities ("what"), instead of the regulation of entities ("who"), applying the principle of same service, same rules. In addition, regulation must promote innovation and entrepreneurship and leave space for experimentation, with the ability to act quickly if necessary. Politicians, in turn, must provide global and regional solutions to problems "without borders" resulting from the very nature of the internet. To do so, it is necessary to reinforce international cooperation and resolve thorny matters as a result of global digital services and the international flow of data.

Click [here](#) to access Telefónica's Digital manifesto and related multimedia materials.