

European Commission: Public Consultation on a set of European Digital Principles

Telefónica

Position Paper

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Public Consultation on a set of European Principles

Telefónica welcomes the opportunity given by DG CONNECT to answer the Public Consultation on a set of European Digital Principles. In our view, there is a need to reinforce the existing public and private cooperation and create more synergies towards a new Digital Deal¹ based on a governance model that combines social, environmental and economic aspects to achieve a long-term sustainable, fair and inclusive digital transition. In social terms, we need to restore public trust particularly eroded for governments during the COVID-19 pandemic² with a new social contract that ensures that no one is left behind and reduces the inequalities within the Member states and between regions. Accordingly, closing the digital divide, connecting all and ensuring equal access to digital development and technologies is more urgent than ever.

i. Universal access to internet services.

Advanced connectivity is an essential precondition for the digital transformation, the enabler of a sustainable future and a decisive factor in closing economic, social and territorial divides. Very high-capacity networks, fibre and 5G, underpin next generation innovations. In the *Next Digital Decade Communication* very ambitious connectivity targets for 2030 were set: all European households will be covered by a Gigabit network, with all populated areas covered by 5G.

We believe that ambitious connectivity targets should go hand in hand with a commitment towards a more favorable policy and regulatory framework supporting private investments in network infrastructure. This must be done on the basis of a better understanding of how new technologies, business models and markets evolve and work. **It will require an alignment of the EU industrial strategy and the vision for European leadership in digital connectivity with competition policy and the regulatory practice for the telecoms sector.**

To be able to promote connectivity in unserved and remote rural areas, governments should, as part of social cohesion policy, allocate public funds for network roll-out while regulation should allow for shared open networks in rural areas to bundle all available demand, allowing for business-driven sustainable roll out of networks. Open network architectures, such as Open RAN, can aid to expand networks into rural areas by reducing the cost of network equipment. Competition policy should ensure a regime for state aid that does not interfere with the opportunities associated to the national recovery and resilience plans, in particular for the transition from 4G to 5G in rural areas.

¹ <https://www.telefonica.com/en/web/public-policy/telefonica-digital-deal>

² [2021 Edelman Trust Barometer | Edelman](#)

Telefónica considers that stimulating digitisation demand should be recognized as a specific target, with the connectivity as a pre-condition for the digitization. This stimulus should be oriented to end users but also to SMEs, startups, and Public Administrations. Digitisation will allow entrepreneurs to innovate, set up and grow their business, and to develop new ecosystems.

The regulatory framework should promote a sustainable and effective competition to produce benefits for the end-users, with more innovative and competitive services. As stated in the Electronic Communications Code, competition can best be fostered through an economically efficient level of investment in new and existing infrastructure, complemented by regulation, where necessary, to achieve effective competition in retail services.

Price should not be a barrier to consumers' access to the minimum set of connectivity services and digital devices. Consumers with low-income or special needs should have the possibility to have access to digital devices and enter into a contract for the provision of affordable communication services³. Member States should reform the Universal Service Obligations to ensure the provision throughout the Union of good quality and affordable services and introduce a mechanism to compensate the universal service provider from public funds. In other case, a fair contribution to Universal Service Funds from all relevant agents should be implemented. A regulatory initiative to ensure fair contribution from OTTs to the deployment of network infrastructure could be an area for intervention.

ii. Universal digital education and skills for people to take an active part in society and in democratic processes.

During the pandemic but also during the economic recovery phase, telecommunication companies have been an indispensable ally for individuals and society keeping communication running while securing network resiliency. The acceleration of digitalization processes in every aspect of our lives has highlighted how important is connectivity to keep communities connected.

Inequality of opportunity and a deepening digital divide are some of the most relevant challenges we face due to the unfolding economic crisis created by COVID-19. We must ensure that all have access to technology and that everyone can benefit from the opportunities provided by the new digital world. Telefónica believes that in this exceptional situation we have to prioritize tackling inequalities by investing in digital skills from students to employees.

³ In the US over four million households have already enrolled in the Emergency Broadband Benefit Program, the nation's largest broadband affordability program to date. The \$3.2 billion subsidy program initiated by Congress provides a temporary \$50 to \$75 discount on eligible households' internet bills during the duration of the pandemic. [DOC-374473A1.pdf \(fcc.gov\)](#)

The accelerated automation of jobs, the rapid adoption of Artificial Intelligence, the embedding of analytics into business processes and the proliferation of remote work were just some of the technology-driven trends altering the nature of work and skills that would be required in the not-so-distant future.

Indeed, this crisis has highlighted how the accelerated digitalization and automation is transforming the way we work. The reliance on technology in the workplace will only keep growing as the ramifications of the pandemic will be felt for years. Notably, remote work is here to stay. **New ways of collaboration between public and private sector will be needed for reskilling and upskilling people and ensure that no one is left behind.**

Regarding employers and employees, public and private sectors, SMEs and big corporations need a life-long learning environment to improve their digital skills and capacities to become more productive, create future-proof employment and boost economic growth in a new data-driven economy. Among other needed policies we propose to:

- i. Identify critical workforce and communities in need of upskilling taking into account existing digital divides by age or gender.
- ii. Design National Training Workforce plans based on a collaborative effort between public and private sectors to identify faster skill pools in order to match supply and demand side and to cut the costs of reskilling the current workforce.
- iii. Boost cooperation between public and private sectors to foster knowledge transfer among researchers and businesses (e.g. avant-garde cybersecurity, or AI campuses).

In a changing labour market, digital skills and training for new professions will be needed to meet the demand for jobs in more digital careers. At schools, it is paramount training teachers to make them comfortable with technology and motivate students to improve digital skills. Digitalization of education will also make new learning opportunities possible, based on the universalization and democratization of access to knowledge by the Internet. This will promote equality of opportunity and lay the foundation for a sustained economic growth.

Telefónica is developing some projects in this domain: “Conecta Empleo”, an innovative and quality set of training courses and tools (Big Data and AI) to guide and train job seekers in the technological skills with the highest demand for employment captured on a website; “Miriadax”, that offers a wide online training catalogue specialized in the most demanded technologies and “42”, with a pioneering methodology, based on peer-to-peer challenge-based learning process, incorporating gamification techniques and offering job opportunities in technologies (i.e. Big Data, Artificial Intelligence, Blockchain).

In the framework of the European Round Table, Telefónica is leading together with other companies (AstraZeneca, Iberdrola, Nestlé, SAP, Sonae, and Volvo Group) the **Reskilling 4 Employment (R4E) initiative** to help people reskill towards more in-

demand jobs, thereby improving people's lives, enhancing social cohesion and boosting Europe's competitiveness. Through this new programme, companies will partner with European and national institutions, public and private agencies, with the aim of taking real action to ensure that Europe has the human capital and skills it needs to deliver the green & digital transitions.

In promoting this new collaborative approach, the goal is to scale up the initiative to reskill 1 million adults of all ages in Europe by 2025. The R4E programme will help mobilise institutions from the public, private and social sectors to achieve this goal. At full capacity, the project will have the potential to reskill - and secure new employment - for up to 5 million people, a target they hope to reach by 2030.

In its first year, R4E will begin with pilot projects in 3 EU Member States: Portugal, Spain and Sweden, in tandem with local public and private entities.

The initiative aims to offer a model where the adult training ecosystem can be shifted towards an end-to-end model where candidates are made aware of the opportunities and embrace the need to change occupation. Subsequently, they are trained, placed and mentored into a future-proof job. This journey requires targeted training programmes, guidance to candidates along the journey, and well-connected local employment ecosystems where training providers and employers can quickly match candidates with vacancies. The initiative is based on an end-to-end model and provides support through four critical enablers:

- i. Tech-enablement for reskilling, including common platform and matching recommendations powered by artificial intelligence;
- ii. A network of selected high-quality reskilling providers and hiring employers;
- iii. The creation of city-level employment ecosystems to facilitate matching;
- iv. Support in designing funding schemes that align incentives for providers, employers and candidates.

Telefónica believes that **vocational training** has an important role to adapt the educational model to digitalized societies. Its design requires close public-private cooperation having constant feedback to reduce the risk to develop "gaps" in the training and allow for adapting the qualifications. This training will be able to provide much needed experts to business. In this domain, Telefónica recommends:

- i. Foster the use of technologies like Big Data, AI and Blockchain by public administrations in education.
- ii. Update educational content (national curricula) to the digital era and revisit learning process methodologies to seize opportunities and learning from the use of distance learning and technology.
- iii. Expand vocational training and upskilling and reskilling initiatives to achieve that training of people is continuous and covers long-life-learning.
- iv. Drive a faster digitalization of the educational system by create Public-Private ecosystems of learning partners to develop and implement digital content and

new methodologies like gamification and Peer-to-Peer learning as well as to exchange best practices.

iii. Accessible and human-centric digital public services and administration.

We cannot have 21st century economies without modern and efficient, digital public administrations. Indeed, the lack of e-government and use of digital technologies by public administrations hampers seriously the development of digital societies.

Telefonica shares the European Commission's views about the opportunity that digitalization of public services and administrations brings to European citizens and society leaving no one behind. The principles that should guide any initiative in this field should be inclusiveness, transparency, accessibility and interoperability. **Therefore, a renewed packet of measures to digitalize administrations at national level is critical to adapt public services to the new realities in order to meet people's needs in a digitalized society.** Inclusiveness in reaping the benefits of digitalisation for Public Administration, businesses and citizens should be the guiding principle for a European approach to data.

Telefónica believes that e-government and the use of digital technologies by administrations and public services not only fosters user's adoption but also allows efficiencies gains of using Big Data, AI, Edge Computing and Blockchain in areas like Health, Education and Justice through real-time insights, transparency and data use. The re-skilling of public servants is of utmost importance to keep public services running in a more efficient manner and to help citizens to adopt digital tools in their interaction with the administration.

Additionally, administrations must modernize their "digital welfare" strategies in areas of social policies, redefining public-private partnerships to foster the launch of digital public services that allow more personalised and flexible treatment of people, improving the efficiency and effectiveness of health and justice systems as well as social benefits considering the new features of the labour market.

Cybersecurity in this context is key for building confidence around the digitalization processes among the citizenry. Trust will encourage people to use public services online and to take advantage of the opportunities of the digital world. Cooperation is needed to promote citizen culture programmes on cybersecurity to help them adopting basic prevention rules.

Finally, Telefonica believes that it is critical that on the one hand, Administrations adopt a Human-rights perspective in their digitalization processes and in the design and implementation of digital services. On the other hand, a people centric administration must adopt "data ethics" principles such as transparency, people's control over their data and real choice.

iv. An open, secure and trusted online environment.

One of the prerequisites of a human-centric digital transition is that people, public and private organisations have confidence to adopt and use digital services. Current shortcomings of an open, secure, safe and trusted use of digital applications need to be addressed.

Considering that EU's economy, democracy and society depend more than ever on secure and reliable digital tools and connectivity, cybersecurity as an integral part of Europe's security, is essential for a strong and sovereign Europe. We welcome European Commission's intention to switch the current approach, from regulating specific digital and physical assets, towards the need to reinforce the resilience of European critical entities that operate them, especially considering the highly interconnected infrastructures, networks and services essential for the good functioning of the Internal Market. This increasing interconnection has been even more evident during the COVID-19 crisis. Therefore, Cybersecurity is one of the priorities of the EU's response to COVID-19 crisis and, more broadly, to strengthen the Europe's strategic autonomy.

Digital environment should be open for society and businesses to interact and access or provide services without unjustified restrictions. The emergence of global dominant players acting as gatekeepers is resulting in limitations to consumer choice and a fair competitive environment. **Competition and regulatory policies should be adapted to enforce digital neutrality assuring the openness of the entire digital ecosystem. Digital neutrality shall guarantee a level playing field that balances the rules throughout the value chain preventing unfair discrimination and securing same services should be governed by the same rules, their providers comply with the same obligations and their users enjoy same level of protection. In this sense, the Digital Markets Act represents an opportunity to ensure that online gatekeepers in the provision of core platform services are forbidden from discriminating in favour of their own products and services.**

Cybersecurity risks have been exacerbated during the pandemic by the increased digitalization, showing the urgent need to improve cybersecurity and move to a "security-by-design" approach for all parts of the digital value chain of digital services and devices. This means that cybersecurity must be taken into account in the design of software and hardware from the beginning to be secure and implement automated security updates as part of the life cycle process. Moreover, it would require defining and implementing harmonized cybersecurity certification schemes for the whole value chain. Additionally, it is critical to foster a culture of cyber resilience by creating better awareness on cybersecurity by people and business (esp. SMEs) as well as expertise by fostering national centres of excellence through public-private cooperation and public funding. **According to GSMA Intelligence only in Europe a safe data ecosystem may need about €100 billion of investments over the next five years. For this to succeed, public and private organizations must cooperate to innovate in this domain reducing exposure to cyberattacks.**

At the same time, digital societies and economies are associated with the exponential growth of personal data and its use needs control and regulatory guidance. The control of data should be left to the EU citizens. This means that EU citizens should be able to choose freely about the use of their personal data. New “data ethics” with better transparency, control and choice should be developed and implemented. And, on top of the development of these principles, Telefónica believes that a Human-rights perspective is key in shaping digital societies. Human rights put people at the centre-stage of policies and business decisions. Strategies that are shaped by and respect human rights result in better outcomes for all. They ensure that human dignity is preserved and prepare the ground to ensure more equitable and prosperous societies. Therefore, Telefónica believes that a “Digital Bill of Rights” is necessary to safeguard in the on-line world people’s established fundamental rights and freedoms. Europe, which is the cradle of values, has the opportunity and even the obligation to lead in this regard.

Finally, it is very relevant to recall the fact that a healthy democracy relies on the confidence between representatives and represented people, which is closely linked to an adequate, quality process to form public opinion. Unreliable and false information during recent electoral campaigns and the fight against the pandemic have lowered public trust threatening confidence and might have even damaged the economic recovery and democratic institutions and process.

This is not just a concern aimed at tackling harmful content, but it will also be essential to create a safe and trusted digital environment free of illegal material. In this line, the emergence of new and different digital services and platforms makes it urgent to update the legal framework on the liability of online intermediaries to contribute to online safety and the protection of fundamental rights. **New regulatory proposals, such as the Digital Services Act, are needed to upgrade the Union’s liability and safety rules for digital content, services and products. For this to happen, rules proportionate to the capacity and functionality of the different digital services should be designed.**

By way of example, neutral digital services that have no knowledge, control or management activity over the content that their users upload and exchange when using their services should maintain the exemption of liability. Instead, there are new digital service providers that play an active role in disseminating the material uploaded by their users to end recipients. More precisely, this refers to active hosting service providers who have actual knowledge of or exercise control over the content. We understand that the “dissemination to the public” criterion is particularly useful in determining which providers are best placed to take action to tackle illegal content online.

A Human-centric digitalization should have building confidence for the use of technology as its guiding light and be based on values and a responsible use of technology by both, public and private sectors and along the entire internet value chain. A note of caution however should be raised regarding certain trends towards encryption i.e. through IP masking and DNS over HTTPS (DoH) features that are presented by some players as privacy enhancing mechanisms but that can have a negative impact on consumers

choice and on the ability of telecom operators to perform legal obligations on blocking of illegal content.

v. Protecting and empowering children and young people in the online space.

Child sexual abuse is a serious crime with long-lasting consequences. It has both offline and online components, necessitating a comprehensive and global response. Therefore, fighting against this crime is a priority for private and public stakeholders in order to ensure that all children are free from abuse and exploitation.

In July 2020, the European Commission issued a comprehensive EU strategy for a more effective fight against child sexual abuse, setting out an ambitious framework for developing a strong response to crimes related to child sexual abuse online and offline, within the EU and globally. The Strategy acknowledges the need for a multi-stakeholder approach to tackle this issue and the important role of industry. According to the Strategy, in 2021 the Commission will propose legislative measures to require online services providers to detect known child sexual abuse material and report to Public Authorities. Once the Regulation on a temporary derogation from ePrivacy Directive to detect child sexual abuse material has been agreed by Co-Legislators, Commission will focus its work towards a long-term legal framework.

Indeed, the Regulation on a temporary derogation from ePrivacy Directive creates a temporary and strictly limited exception from the ePrivacy Directive, in order to preserve existing practices to combat child sexual abuse online. This is why the exception covers only current practices, but not eventual new initiatives.

With a view to the long-term Regulation, Commission is assessing which are the “relevant” online service providers, focusing on hosting service providers (as in the proposed Terrorist Content Regulation), e-communications services (eg.: instant messaging services like Facebook Messenger) and online gaming services.

Telefónica is strongly committed to fighting child sexual abuse material online and protecting children on the Internet. Considering that telco’s Interpersonal Communication Services fall under strict privacy rules, telecom companies are obliged to abstain from any detection measures. As far as content blocking is concerned, Telefónica strictly complies with any request from competent Authorities that consists of blocking access to specific websites or access to specific content, without Telefónica being able to directly remove the user’s content in any case. To give an example, blocking requests are issued because websites or contents infringe local laws against child pornography.

Therefore, Telefónica has raised Commission’s attention on the fact that making it mandatory for all online services providers to detect material would undermine privacy and security principles established in current legal framework.

Each stakeholder has to adopt specific measures depending on its own role and it is necessary to differentiate between active and passive roles. A telecom company has a subsidiary responsibility when everything else has failed, starting from removal of content at source, actions by search engines, social networks or cloud and host service providers. A duty to determine what is lawful or illegal goes beyond the task of a telecom company. It is up to the exclusive competence of Judicial and Law Enforcement Authorities to determine what is illegal.

Cooperation among all stakeholders is a key element, but it needs to be complemented not only with the right legal framework to protect children but also with strengthened Law Enforcement efforts and joint response at national and EU level.

vi. European Digital Identity.

Telefónica believes that the easiness of interactions with electronic administration and public services is the cornerstone for a successful adoption by citizens. Current electronic identification solutions such as electronic signature, seals and time stamps, etc. developed by countries are only being used by companies, generally medium to big ones and professionals familiar with online practices, but in SMEs and individuals of other sectors have a very low take up yet.

A European Digital Identity must include interoperability as a default feature, therefore, the use of industrial standards and common interfaces in the implemented solution is a must for a truly operational Single Market. Current eIDAS recognition alternative has not been possible due to technical, operational and legal aspects that must be overcome.

The draft of amending the eIDAS recently disclosed by the European Commission is a good start of implementing such a framework where interoperability should come by default. Telefonica welcomes the amendment included in the revision of eIDAS about the deniability of legal effects and admissibility as evidence in legal proceedings of attestations of attributes based solely on the grounds that it is in electronic form. Telefonica also welcomes the similar approach on legal effects of electronic ledgers.

Education on using the digital identity should also be considered as a lever of success. Aspects of using a digital identity like legal certainty must be better explained to citizens alongside with archiving capabilities (or alternatives), use of attestations, recovery of information, backups, etc. in order to have a full European adoption.

The use of mobile handsets instead of perceived (despite secure) very complex use of electronic certificates by citizens may represent a step change in adoption and a leap forward the full digitalization of the society. In that sense, Telefonica considers that the security of personal data storage as well as privacy should also be in the heart of any solution adopted by European countries and be included by design and by default. In that sense, what stated in the Article 25 of the General Data Protection Regulation should be a good guide.

The standardized solution based on a Digital Identity Wallet implemented in mobile handset will build on the secure element of the devices. Today we have three different available ways to implement it; the secure elements in the device hardware (controlled solely by manufacturers) or in the secure element on the SIM card/UICC (physical or virtual – eSIM/eUICC). If Europe want to make this amended eIDAS a pillar of the European sovereignty goal, using the second will allow standardization regardless the device used and consequently, promote competition, transparency and avoid any vendor lock-in solutions.

Finally, **Telefonica considers that reputation of trusted providers recognized by governments will be also crucial.** Apart from the technical and legal requirements, the perception of the citizenship is also relevant. This is why Telefonica considers that the network operators have a relevant role to play in any European Digital Identity solution. The experience we have with OTT's services failure shows up those citizens then to call to operator' customer services as they think the problem relays on the network, so operators will be in an unbeatable position to streamline the use of a Digital Identity Wallet among population.

vii. Access to digital devices, systems and services that respect the climate and environment.

Today, it is broadly accepted that the digitalization brought about by new technologies permeates all economic activities and is at the core of the fight against climate change. Telecommunications are part of the solution to empower citizens and other sectors to fight climate change. During the COVID-19 confinements, the world moved to digital, and the positive impact of digitalization on the environment could be perceived by many people resulting in a broader understanding that an alternative to our traditional production and working model is possible.

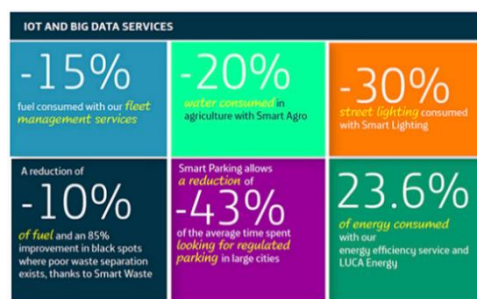
Indeed, while data traffic has increased tenfold in the last decade, its energy consumption has remained virtually unchanged. Innovation and investments in modern broadband networks an infrastructure have achieved that data traffic has decoupled from energy consumption and carbon emissions.

The digital transformation of society and economy can link innovation, productivity and environmental sustainability. Digitalization must be the common denominator for a green transformation of all sectors, it permeates all economic activities and is at the core of the fight against climate change.

To enable the digital transformation, telecom networks are evolving. In the following decade 5G deployment in mobile networks and fibre optic in wireline networks could be the key elements with the largest impacts on energy consumption/savings of the telecommunications networks. **Each new generation of mobile technology has brought an improvement in terms of energy efficiency and with 5G this will grow significantly due to their high spectrum efficiency and new software features to reduce energy consumption.**

A recent research⁴, conducted over a three-month period, focused on the power consumption of the Radio Access Network (RAN) in Telefónica's network, showed that 5G network is up to 90% more energy efficient per traffic unit than legacy 4G. **5G is a natively greener technology that has integrated energy efficiency in the design of the standards, with more data bits per kilowatt of energy than any previous wireless technology generation.**

Digital technology can provide solutions for reducing emissions by more than a third over the required 50% reduction by 2030 as stated by the World Economic Forum (WEF)⁵. This enablement effect has been estimated by GSMA⁶ and the Carbon Trust to be around 2.1 billion tonnes of CO2 emissions in 2018, 5,6% of global CO2 emissions and ten times the global carbon footprint of mobile networks themselves. During the next decade, that figure is expected to rise thanks to the increase in the number of connected devices.



Therefore, we would encourage the EC to take in consideration in the next Digital Decade plan the following actions:

- **Consider modern Telecommunication networks explicitly as green infrastructure in the sustainable finance framework.** This will ensure legal certainty and can be crucial in facilitating the telecom industry's access to long-term and sustainable financing necessary for shifting towards energy-efficient networks such as 5G and fibre.
- **Promote digitalization of strategic sectors**, like energy, industry, transport or agriculture by using the differential capabilities of new connectivity infrastructure and fostering innovation (e.g. smart manufacturing to create more efficient and sustainable production and supply chains, connect and automate vehicles to reduce transportation emissions, improve renewable energy networks through smart grids).

⁴ [Nokia confirms 5G as 90 percent more energy efficient | Nokia](#)

⁵ [Digital technology can cut global emissions by 15%. Here's how | World Economic Forum \(weforum.org\)](#)

⁶ [GSMA Enablement Effect.pdf](#)

- **Provide incentives** like tax benefits, fee reductions, preferential regulatory treatment and benefits in public sector tenders and procurement for environmentally efficient ICT solutions.

viii. Ethical principles for human-centric algorithms.

Artificial Intelligence (AI) and Big Data have proven to play an important role in the response to the COVID-19 crisis by understanding better the evolution of the virus, accelerating research on drugs and treatments, or building models and tools to control and slow down its spread (e.g. through big data analysis of crowd movements). This is just one example of how AI can help to improve processes, services and products that logically have a wide application in many different fields.

The use of AI System raises also concerns about its impact on fundamental rights of citizens, especially in relation to privacy and discrimination. The use of AI and big data should respect human rights and privacy, be transparent and explainable to people, as well as secure and safe. Public administrations and companies using or developing such services should apply best practices to make its use in the benefit of citizens and build trust and confidence for users.

Users need to have possibilities to manage their personal data, control their usage and be able to choose. A relationship based on trust will ultimately be the basis for a new model of fair exchange of data and a trusted AI usage in which all parts involved benefit.

Establishing a “Digital Bill of Rights” would help to protect fundamental rights in a digital and data-driven society and economy. Additionally, companies should adopt AI principles and ethical guidelines for its applications to guarantee that AI has a positive impact on society.

The practical implementation of the principles is probably the more critical aspect. To implement its five AI principles (Fair AI, Transparent & explainable AI, Human-Centric AI, Privacy and security by design, Verification of partners and third parties) Telefónica adopted a three-layered governance model for AI within the business and product-development-process. The first level involves employees working directly with AI, to assure they are aware of the AI Principles and know how to implement them. To achieve this goal, Telefónica has developed an in-house course on ethical use of AI, an assessment list for developers to assure that their project complies with all requirements and also a set of tools to help them evaluate that their projects comply with criteria to assess e.g. non-discrimination and fairness. The second level involves a group of experts with different profiles (privacy, Human Rights, security, etc.), called “Responsible AI champions” to whom employees working with AI can consult to solve any doubts about a specific product or issue. The third level is Telefónica Responsible Business Office, entering into play to resolve potential conflicts with Telefonica’s AI Guidelines identified by the Responsible AI Champions. Telefónica has with this governance created a virtuous cycle for AI development and usage that keeps

up to date with the constant evolution of the technology and allows to share experiences with multilateral and multistakeholder organizations that work on an ethical and human-centric approach to AI.

Additionally, countries and regions need to establish long-term strategies to reinforce their digital capabilities and sovereignty, to be able to shape and influence the future AI and data-driven world. Market concentration and anti-competitive tendencies on some digital markets are emerging as a significant barrier for the growth of local digital economies and companies. In that regard, it will be important to consider how to open-up “data lakes” that are controlled by few globally dominant digital platforms. Mandatory access to data provisions are proposed within the Digital Markets Act especially in situations where this would open-up secondary markets for complementary services. Indeed, the DMA already tackles the concern of absence of (or reduced access to) some key inputs in the digital economy, such as data contemplating for those companies that qualify as online gatekeepers an obligation to provide business users, or third parties authorised by a business user, free of charge, with effective, high quality, continuous and real-time access and use of aggregated or non-aggregated data, that is provided for or generated in the context of the use of the relevant core platform services by those business users and the end users engaging with the products or services provided by those business users. Any obligation on data sharing should be confined to online gatekeepers that benefit from access to vast amounts of data that they collect while providing the core platform services as well as other digital services as recognized in the DMA.

Beyond this case for mandatory access to data for online gatekeepers, Telefónica supports fostering the use of data while protecting privacy (e.g. through use of anonymized data) and creating a virtuous circle by incentivizing and facilitating data sharing on a voluntary basis between businesses (B2B), and between private and public actors (B2G). Regarding AI, Telefónica supports adopting a risk-based approach for AI, defining ex-ante obligations for high-risk usage of AI and fostering voluntary labelling schemes for lower risk usage. High-risk AI-systems should be assessed through an adequate assessment process before they are launched on markets. And the company considers critical to adapt liability regimes to AI specificities in order to build trust for the adoption of AI while providing legal certainty to developers, producers and deployers.