

Speech of Mr Luigi Gambardella, ETNO Board Chairman.

Industry event on Data Protection, European Parliament, 14th May.

***** Check Against Delivery *****

Ladies and gentlemen, distinguished speakers and guests,

- As the ETNO Board Chairman, I am pleased to welcome all of you to this debate on the revision of the EU Data Protection framework. Today, we are four Associations representing the telecommunications and ICT sector – ETNO, ECTA, Cable Europe and GSMA. We have joined forces at the critical point of the legislative review process to underline some issues of key importance to our industry.
- Over the past months, we have witnessed an incredibly rich and intense debate on the proposed Data Protection Regulation presented by the Commission. We have seen an overwhelming number of amendments tabled, and our colleagues at the Parliament, Commission and the Council have been inundated with requests for meetings. However, it is important that this debate continues and that all parties are heard as we enter into the final stages.
- Indeed, when I met Vice-President Reding in February, she stressed the importance of European industry's continued participation and vocal presence in the discussions. And this is why we are here today – to present to you, with the help of our notable speakers today, our priorities, concerns and also the areas of support.
- In particular, the public discussion has focused on how to create a solid and forward-looking framework of rules, which balances the need for a strong level of protection of the fundamental right to privacy, with the importance of not hampering economic activity and innovation in multiple economic sectors.
- As stated in the Recitals of the proposed Regulation (and already in the current Directive), the **processing of personal data is designed to serve man**, it should respect individuals' fundamental rights and freedoms, notably the right to privacy, **and it should contribute to economic and social**

progress, the strengthening and the convergence of the economies within the Internal Market, and the well-being of individuals.

- ETNO, and the Trade Associations represented here today, could not agree more with this statement. Therefore, we consider that the main outcome of the ongoing review should be to achieve effectiveness in practice, to reduce divergences within the Internal Market and to allow flexibility to adapt to dynamic environments.
- Consumers expect services to be smart and to meet their needs by providing them with the experiences they want. Intelligent use of data improves lives. **Privacy protection matters for consumers and citizens, but they also want new and innovative products and services at low prices, together with job creation and growth.**
- As telecom operators, ETNO companies are committed to protecting the privacy and personal data of their customers and have long standing experience in doing so. Privacy considerations are an integral part of our work when developing new data-centric products.
- Achieving a good balance between the right to privacy and business needs is therefore crucial. To this end, it is important to note, as MEP Sean Kelly has done on several occasions, that these two objectives are not mutually exclusive.
- Before giving the floor to Vice-President Reding and our distinguished speakers, allow me to briefly recall some key elements of ETNO's position. I will focus on two in particular: the scope of the legislation, and the need for an improved risk-based approach.
- Let me start with the first point.
- From the very beginning of the legislative process, ETNO has welcomed the intention of Vice-President Reding to reform European data protection rules with the aim of ensuring more harmonization and higher consistency, as well as putting in place a framework which takes into account the inherently global dimension of data processing.

- For this very reason, we strongly believe that the scope of the Commission's proposal should be absolutely maintained: all companies processing data of EU citizens should comply with EU rules, regardless of their geographical location.
- The fundamental right to privacy cannot be protected in different ways, depending on the seat of the controller's or processor's establishment.
- Moreover, from a business perspective, the proposed scope will help to guarantee a level playing field for all actors to compete on an equal footing within the EU Internal Market.
- Now, let me get to my second point.
- In presenting our views on the data protection reform, we have always been calling for the adoption of an improved risk-based approach in the final version of the Regulation.
- Such an approach would calibrate obligations to businesses to the nature of the data and the purposes of the processing and the importance of not hampering innovation in the digital economy.
- Furthermore, we have underlined the need not to overburden the most responsible companies, which have always been strictly adhering to privacy rules, providing transparency and trust to their consumers.
- In the light of this, we very much welcome the recent plea expressed by Vice-President Reding to the strengthening of a risk-based approach to data protection. We strongly hope that the legislative process will take this into account and put it into practice.
- A strengthened risk-based approach can be envisaged through a broad array of measures, from reducing administrative burdens for SMEs to giving greater role to codes of conduct and certification mechanisms. Here we would like to highlight in particular one of these measures. We are referring to the concept of "pseudonymous data", the processing of which could be particularly relevant in the context of research or of behavioral advertising in the on-line environment.
- Given the lower risk linked to the use of pseudonymous data, we believe that the framework should incentivize data controllers to use pseudonymisation, while balancing those incentives with

the protection of the individuals' fundamental rights, taking into account the principle of accountability.

- Ladies and gentlemen, our panel will provide a more detailed outline of some of these points, and more. Before I close, I would like to thank MEP Sean Kelly and Vice-President Reding for finding time in their busy schedules respectively to host this debate and to join us today to deliver a keynote speech.