VATM position on
Europe’s digital sovereignty

The new EU Commission under President Ursula von der Leyen wants to make Europe fit for the digital age. The implementation of the digital single market and thus the future of the European economy depends crucially on the internal structures that are created within the EU and how Europe positions itself in international competition with the major industrialised countries such as the USA or China. Economic policy can now no longer be distinguished from digital policy, as European value creation is crucially dependent on digital innovation. In this context, there is constant talk of Europe's digital sovereignty and the importance of a European digital strategy in order to unleash the enormous potential of a successful digital transformation for Europe and to play an active role in shaping the rules of our digital future, which are currently being made elsewhere. But Europe is hesitant: the expansion of digital projects is not making much progress and we are a long way from a common digital strategy. This endangers the sovereignty of the European states. Europe is heavily dependent on US companies and is lagging behind China in digital development.

Technological sovereignty

Digital sovereignty is a dazzling term that encompasses numerous individual aspects from technological competence, data use and rights of use to central security issues regarding such data and technologies. Digital sovereignty thus also concerns questions of general national European and international economic and security policy and goes far beyond the central areas of interest of the association and the telecommunications industry. Nevertheless, core areas of the current discussion are of the greatest interest to our sector for the further development of future and existing business models. It is therefore worth setting special emphases at the present time. The ability to independently develop cutting-edge technologies and to decide on the use of partner technologies without any restrictions and without political guidelines is particularly important for the implementation of 5G. Irrespective of the absolutely necessary and comprehensible discussion on security issues and undesired technology dependency, the economy in Europe must be able to use the advantages of globalisation and specialisation as far as possible for its own long-term development and to be able to compete on the world market with products and services.

In this concrete context, digital sovereignty therefore means not only developing one's own European or even national leading-edge technologies - which is undoubtedly important and must be given greater political focus - but on the other hand continuing to be able to offer European cutting-edge services and technologies, even if this means procuring products from leading global suppliers. Being able to offer world market quality and world market prices competitively is an absolutely equal part of the discussion on digital sovereignty. A politically detached discussion, which even literally demands absolute security, ignores network levels and components with completely different potential risks and thus leads to a completely undifferentiated security discussion which damages the digital sovereignty of Germany and Europe. As important as it is to promote digital transformation more strongly by developing digital products that are as proprietary as possible and not to lose the added value completely abroad, this should not mean taking protectionist measures or banning providers per se on the basis of their country of origin or political structures.

Multi-vendor strategies, transparency of source codes, strict security controls before and during operation, elements for reversing the burden of proof and draconian sanctioning options coordinated at European level would in many cases replace blanket bans and political overreactions and ensure genuine digital sovereignty.

The basic prerequisite for an increasingly digital economy, digital administration and digitisation of society, the basic prerequisite for growth and prosperity, is the provision of all countries and regions with the corresponding infrastructures and services. The telecommunications sector plays a key role here, since only the comprehensive expansion with new gigabit communication networks and competition on these networks will promote the innovations that Europe's economy needs in order to be able to compete internationally. Europe must be able to concentrate on new key technologies such as 5G - with the best quality and reasonable price structures. Digital sovereignty is too complex for too simple solutions.

Data sovereignty

When we speak of digital sovereignty, data sovereignty is central, if not the key element. Currently, many Europeans are rather critical of digitisation and the state's ability to protect personal data. Acceptance in society and therefore future economic growth will depend on whether digitisation is based on reliable, secure, trustworthy and transparent technologies.

However, the basic prerequisite is not only the protection of citizens' data, citizens should also be able to make an informed decision about which services and functions they want to use and which type of data processing (collection, storage, evaluation, transfer, economic use) they therefore agree to.

But here, too, digital sovereignty cannot be seen as one-dimensional. Important future and often AI-based services will only be able to develop if data can be collected and evaluated (in anonymised form). Traffic safety, health, etc. may suffice at this point in an arbitrarily expandable way. Certain services will only be possible and usable for the customer if the customer provides data for this purpose. Here too, however, the greatest possible transparency and security applies - and where desired and necessary, anonymity. However, general prohibitions of exploitation and the requirement of data economy in its current form will definitely run counter to the digital souvenir status of our entire society. Our national and European economy, as well as our future society, will be essentially dependent on the evaluation of digital data in order to keep up with international developments.

The protection of business secrets of companies, research institutions, data of financial institutions and state institutions is also a crucial factor. Here, too, it is not only a question of the undoubted security of corporate data locally, in cloud solutions or in mail traffic, but also of being able to make confident decisions about the existence and migration of data, for example when changing providers with often proprietary systems, which is by no means guaranteed today. A serious dependency of the economy on individual, often, but not always, market-powerful providers is also a growing concern for the Federal Government and the Commission. At least with regard to the problem of cloud security, there seems to be some movement in the national, but also European discussion. For example, Telekom and VATM member companies are equally committed to the European cloud GAIA-X, in which data is not to be sent to the USA or China.

Digital Transformation

Europe has fallen behind technologically. For too long obsolete technology has been used and protected. In addition, it was thoughtlessly accepted that European innovations would be bought up by other industrialized countries and thus technical know-how would leave Europe. A comparatively weak start-up culture and even worse financing possibilities for young companies, bureaucracy and highly regulated markets are part of the very complex reasons and therefore part of the challenges we face if Europe wants to catch up or even take over a digital

pioneering role. In order for new business models to develop, an investment-friendly environment must be created.

The task of the new EU Commission is to ensure that the digital single market creates the right framework conditions for innovation and that it uses European values not as a hindrance but as a competitive advantage. In addition, the expansion of infrastructure in the EU Member States must be given greater support so that competition for investment and services creates the most similar framework conditions possible in all regions of Europe. The expansion of infrastructure and thus the digital transformation are also very much dependent on public acceptance. Instead of new, but largely unused, high-performance networks, we need good utilization rates - if possible already at the time of expansion, since this not only massively improves the economic efficiency of the expansion, but also creates the basis for our digitization. First we need the hen - and that is a network with as many customers as possible - then the digital offerings will develop much faster. Only when we reach a critical mass such services will be worthwhile or make sense in the first place. As with smartphones, new services will only develop on a mass scale and become an economic factor when enough customers can use them.

Digital sovereignty based on completely new digital markets will not develop as quickly in Europe as in Asia and America if new mobile communications and fiber optic infrastructure is expanded more quickly there. The game will not be dominated by lighthouses or a few industrial regions, but by the absolute broad availability also in rural areas, where, in addition to home work, health care, etc., small and medium-sized businesses in particular will be an important economic factor for digitization. A demand stimulation such as a voucher system for citizens willing to have a fast Internet connection, as required by the VATM, is therefore essential for Germany in particular and serves the digitalisation and digital sovereignty of our country.

A further aspect that should not be neglected is sufficient funding for research and development, education and the promotion of a European strategy for the future that addresses existing plans, such as China's. The EU Commission's AI Alliance is a first step in the right direction. Further initiatives must follow - together with European industry to provide the right impetus for the coming decade. European economic cooperation, in which joint forces are bundled, is therefore indispensable. European research funds must also reach European companies so that European know-how can be created. In this context, there must be no technological sell-off of European future technologies. European-funded projects must be kept in Europe so that patents obtained here can also be used by European companies.

Europe's future also depends on the skills of future generations. Programming, coding, designing, conceiving and networked thinking are the „digital skills" for many professions of the future. However, they are hardly taught adequately in our current education system. Educational work about the dangers of the digital world and its potential must go hand in hand.

Competition policy and innovation

Terms such as "Internet of Things", "Big Data", "Artificial Intelligence" and "Virtual & Augmented Reality" define the future especially for the telecommunications sector. The telecommunications policy of the last decade - at least in the mobile communications market - has focused on lowering end-customer prices. We need a policy that encourages more investment, but does not lead to less competition.

In Europe, the General Data Protection Regulation (GDPR) and value-based European competition law have therefore created the basis for protecting consumers and companies.
However, the digital transformation is progressing at great speed, so that the existing legal framework is no longer up to the challenges of modern society and can no longer respond to all the conditions of the European single market. An adaptation of the legal framework is therefore unavoidable. It must support new business models and investments. Companies must think innovatively and not be slowed down by the legal framework. We need a level playing field with companies that are entering the European market and which often operate from abroad and are treated differently in substantial parts of the regulatory framework, even though the services they offer are currently in direct competition with telecommunications companies. In the age of the "sharing economy", appropriate impulses must be given here to compensate for regulatory disadvantages so that European, data-based business models can also be created in the future.

Telecommunication providers keep a lot of personal data and have been able to secure it well so far. However, the volume of personal data is shifting more and more from traditional telecommunications service providers to OTTs. This is where the EU must show strength. Those who have to secure such data need reliable and clear guidelines. As long as there are no clear rules for securing data, the existing uncertainty will harm European companies and citizens alike. What is needed is a harmonised approach - only common and Europe-wide rules can be the solution. The ePrivacy proposal aimed at this problem situation, but in practice it leads to a strengthening of the browser operators by assigning an essential role to the central setting for consent to the setting of cookies in the access software to the Internet - i.e. the browser.

In the course of the planned ePrivacy Regulation, browser manufacturers threaten to become powerful gatekeepers of the digital world. The role of digital platforms is also growing due to this rapidly changing digital landscape: Google controls the market for search and mobile OS, Amazon controls the market for online shopping and Facebook controls the market for social networks. Although Europe sets the tone and standards in telecommunications and data protection, digital innovation is lacking. This is demonstrated by the fact that there is no major European operating system, no browser, no social media network.

Moreover, digital IDs are essential in the data age and almost no service can be used without identification. If one thinks of today's services (e-mail, social media and communication services, online shopping, online banking, access to various forms of content), it becomes clear that digital IDs have become a basic requirement for a digital existence in the economy and society. This importance will continue to be felt in future services (mobility, smart home, IoT applications, eGovernment services). All services require IDs - and this development affects all industries. Many users are therefore pleased that there is an increasing number of opportunities to log in to other services using a Facebook account or a Google account: The account thus becomes a kind of master key - and you only have to remember a password. The flip side: The US companies will continue to be strengthened, learn a lot about the users: where they log in, how long they are there - for Google and Facebook, information that is indispensable, because the better they know the user, the better they can sell advertising tailored to the target group.

The goal is clearly defined: To build a European digital identity ecosystem for secure online identification and age verification that requires only the personal data necessary for the service in question. Digital identities of official bodies as well as of commercial actors operating in the European internal market should be usable for this purpose. There are already open ID standards in Europe, which offer an open approach to the closed ecosystems of Google, Facebook and Apple: The industry is launching initiatives such as the European netID, which allows any company to give its users the opportunity to use the ID/account they have with the company on other platforms. These should be appropriately supported by the EU. The new Commission has already started to work on the future governance of digital services. The announced Digital Services Act aims to strengthen the necessary standardization of the legal framework in order to promote the European digital economy. The new requirements for the integration of an open European ID could be anchored there.

Summary and requirements

Digital sovereignty has many components: security of technologies from third countries, but also usability and the self-determined use of high-quality technology components for the development of one's own technologies and services - especially in the context of the new 5G world - are expressions of differentiated digital sovereignty. Data security and data sovereignty for citizens and companies is just as much an expression of digital sovereignty as the use of as much data as possible for the development of digital services, which in conjunction with AI will play a central role in future value chains. Secure cloud solutions will be an indispensable prerequisite for the confidence of the economy and growth in Europe. In the Digital Transformation process, it is essential to compensate as far as possible for the considerable competitive distortions at the expense of the European industrial location and to find a legal framework that does not give OTTs and large non-European platform operators ever greater advantages. The GDPR and the European competition law must be adapted and facilitate digitisation, data use and new European platform development.

Therefore, the VATM formulates the following demands so that Europe can take a leading role in the digital sector and guarantee its digital sovereignty:

1. Digital sovereignty must not be a single national effort: we need common European strategies that address the many aspects and challenges of digital transformation.
2. Providing consumers and businesses with fast Internet access, and above all the actual use of the networks, reinforced by demand-side promotion, is essential for the digital transformation.
3. We need much more support for European technologies and security concepts, especially for European cloud solutions such as GAIA-X.
4. Openness to high-tech supply markets must be guaranteed so that European companies can compete.
5. We need new security concepts and sanctions to enforce them wherever necessary to protect digital sovereignty.
6. Data protection and data security must be adapted to the new challenges of digitisation in such a way that AI and data-based new digital services are nevertheless made possible.
7. European competition law must be adapted to the new market realities and a level playing field with non-European companies entering the local market must be created.

8. The mandatory introduction of an open European ID login is essential and could reduce dependence on the expanding login services of the GAFAs (Google ID, Facebook ID, Apple ID).
9. The promotion of research and development must benefit European cooperation.
10. Digital education must provide the knowledge needed for a digital world of tomorrow at an early stage.

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