

Telecom in the Digital Revolution: Straining to move forward



Service providers struggle to balance the opportunities for global expansion with demands for regulation and privacy

The yin and yang of the digital revolution challenges telecommunications providers. On the one hand, they see massive opportunities for global expansion; on the other, they must address ongoing concerns about data security. At PwC's Digital Revolution Summit, Enrique Medina Malo, Chief Policy Officer for Telefónica engaged in a fireside chat with new PwC principal Rob Mesirow. In the discussion, Enrique cited three key issues facing service providers.

Operating mobile and fixed services in 17 countries, Telefónica has a unique regulatory and operational challenge that gives it a deep understanding of three key issues:

-  Regulation
-  Privacy and security
-  Emerging markets.

For more information

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Regulation

In the field of regulation, especially the issue of net neutrality versus the open Internet, Telefónica has been advocating on behalf of consumers for digital neutrality. According to Medina, neutrality will support the “portability of digital life.” Without hewing toward the preservation of neutrality in the digital environment, the whole Internet will move toward being more closed. At the same time, just as consumers do, vendors need a level playing field when it comes to competition: governments cannot impose different rules for analog and digital technologies. Telecom providers, broadcast providers, and Over-the-Top (OTT) providers should all have to play by the same rules, and governments must strive to update those rules to accommodate new technologies.



Privacy and security

In the field of privacy and security, the digital revolution will only succeed when there is a high level of “digital confidence” among users. Consumers have been entrusting service providers with their data for more than a century, and while service providers should be able to use it within reason, Medina stressed that data is an asset that belongs to the customers and must be protected. As such, when operators aggregate data, they must only do so with the customers’ permission.



Emerging markets

When it comes to emerging markets, mobile operators must keep in mind the millions of global citizens who have yet to benefit from the digital revolution. Service providers must work to connect the unconnected, and do so with service deployments reflecting the latest technology, not the oldest; it’s not fair, Medina said, to deploy 2G in the Amazon and 4G in Madrid. Service providers should strive to serve the common good, to provide as unlimited access as possible.

All told, telecommunications vendors face a balancing act when it comes to global connectivity. They must:

- Balance needs of both developing and developed countries.
- Protect data across multiple regulatory landscapes.
- Work to ensure fair regulations that drive, rather than stifle, innovation.



Three Key Points

- Telecom vendors must support ‘open internet’ for consumers, and a level competitive playing field for themselves
- Telecom vendors must strive to create a high level of “digital confidence” among users when it comes to the privacy and security of data
- Serving emerging markets with state-of-the-art technologies will only help to grow the overall global market for digital services