



PUBLIC POSITIONING

Towards a new Public Position to lead the industry revolution

We believe that our customers must enjoy an open and safe Internet experience.

Economies, societies and companies that embrace the change can prosper. It is those who stand still who will be left behind

At Telefónica we want the possibilities of technology to be available for everyone. Telefónica contributes to this in a fundamental way, as we are at the forefront of the offer for high-speed Internet connectivity and innovative products and services that are the catalysts of the Digital Revolution. And this Digital Revolution has only just begun: it is expected that during the next five years the digital economy will grow annually by 5% in the G-20 countries, a rate that will reach up to 18% per year in developing countries.

New technologies based on mobile connectivity, social media, Cloud Computing and Big Data are leading the transformation processes that drive innovation and increased efficiency. The concept of investment, innovation and investment, is the fuel of a new digital virtuous circle. In short, this positive dynamic within the economy is based on the idea that the attractive digital technologies drive consumer demand, fostering growth and job creation, which in turn, allows societies a more efficient use of their resources while making their economies more competitive and productive.

Moreover, digital technology has modified economic cycles and has blurred geographical boundaries. Everything has accelerated to the point that today's successes or failures do not last very long. The low barriers to entry, the minimal cost of innovation, and the speed with which customers adopt new products, have given the Digital Revolution an unstoppable momentum. Society and business will change whether we like it or not. Economies, societies and companies that embrace the change can prosper. It is those who stand still who will be left behind.

Policies and regulations are key to an enormously complex and competitive environment,

characterized by a rapid evolution over the entire value chain of the Internet. It is essential that these are all a reflection of the ever-changing digital reality in which we are immersed and that they are maintained in order to unleash the full potential of the digital world for the benefit of consumers, businesses and government administration. It is therefore vital that policymakers focus on the right issues, this is to say in promoting investments, competition and innovation. Even still, we must ensure that all policies anchored in the twentieth century are not an obstacle to favour growth, innovation and consumer protection in the twenty-first century. We are well aware of the difficulties of adapting to the rules while moving at the pace of technology and the markets. Therefore, more than ever, we should strengthen the public-private partnership to define a common vision in order to combine our efforts in the same direction.

Telefónica, a Digital Telco, is ready to lead and assist this process of digital transformation. Technology provides us with unimaginable possibilities and can improve our lives in thousands of ways. Therefore, we want to be players in this new ecosystem and provide everyone the best that technology can offer, so that everyone can enjoy this fascinating world.

Telefónica has defined a Digital Manifesto advocating for an open and secure Internet experience for all. The Digital Manifesto highlights the challenges we face and its conclusions have been summarised in a Decalogue of recommendations to improve the Internet experience of consumers and generate more investment in digital infrastructures.

The Digital Manifesto focuses on four main areas that affect everyone who uses Digital and Internet Services.



Our Digital Manifesto

- 1. An Open Agenda for a digital future**, based on customer's expectations and wishes in order to have the freedom to choose their digital experience and have control over their digital life. Open systems are the best model to drive innovation and therefore the portability of a digital life becomes a critical element in the Internet experience.
- 2. Consumers' Digital Confidence** turns into the willingness of people to share online information, being an essential prerequisite of a data-driven economy. Thus, it is critical to establish and sustain customer confidence on the use of Digital Services and Internet Services. This requires that individuals feel in control of their personal data, on how and for what purpose it is used for, and that their identity is kept private and their personal information is secure.
- 3. Global Internet Governance:** the global scope of the Internet, both in economic terms and in its reach and use (most Internet users are currently outside the United States and the European Union), has placed Internet Governance in a matter of great relevance in the international public agenda. The current multi-stakeholder model is the best model for Internet governance, but it needs to evolve and improve.
- 4. Adapt Public Policies to the new Digital Markets:** policy makers and regulators have a difficult task keeping track of the fast-moving changing Internet environment. However, it is imperative that any regulation is tailored to reflect the new realities of the digital economy, where increased competition and dynamic markets should reduce the need for specific regulation. Given the difficulty of anticipating the future in an ever so changing environment, new policies must be flexible and must ensure a level playing field.

The 10 recommendations

- 1. Build Digital Confidence** through a safer Internet experience and by empowering citizens to be in control of their personal data.
- 2. Create a Portable Digital Life** for consumers by allowing them to use their data, information and applications regardless of their devices or platforms.
- 3. Open up mobile Operating Systems, App Stores and other digital platforms** to increase users' freedom, choice and competition.
- 4. Promote interoperable Internet applications, communication and messaging services** to improve consumer experience and foster competition.
- 5. Improve transparency** about the conditions of use for Internet services and the distinction between information and advertisement in online search results.
- 6. Transform education, learning and teaching** by widely adopting digital technologies and services based on Open Resources and Standards.
- 7. Promote Open Innovation and Open Standards** principles and prevent that undue Intellectual Property protection restricts innovation in the Digital Economy.
- 8. Create fairer policy frameworks by establishing the same rules for the same digital services** and smarter regulation by relying more on outcome-based policy making and case-by-case supervision.
- 9. Make the Internet available to everyone** by establishing adequate conditions for private investment in broadband infrastructure.
- 10. Evolve the policy models of Global Internet Governance** by building on its existing foundations and through involvement of all stakeholders in an open manner and on equal footing.



More information
In the website 'A Digital Manifesto' of Telefónica.