

## 8. Telefónica, the institution

Telefónica continued to develop systems and structures in 1984 that allowed it to improve management and running from a qualitative point of view. One result of this is the implementation of the internal Auditing Section, complementary to the financial and accounting audit carried out by independent firms. The work carried out in this field has led to over 20 reports being prepared on various management areas, that have allowed problems to be detected and analysed and alternative solutions to be discussed in economically trascendental areas, such as: the contracting of construction works, buildings and maintenance, purchases and warehouses, affiliate companies, etc. For its part, the General Inspectorate of the Company has, as part of its specific activities, made 48 inspections on different matters throughout the year.

The Legal Department, apart from their work as advisors and their share in drawing up contracts executed by Telefónica, both in Spain and abroad, has continued to defend the integrity of the legal framework of the concession with the different organizations having jurisdiction.

During 1984 Telefónica continued to develop the Integral Security Plan, that not only includes implementing security measures in buildings, but also covers staff training and the drawing up of standards.

In the field of territorial organization, the process of decentralization of functions and responsibilities to provincial branches continued during the year, with the idea of effectively bringing Management closer to service users and, in effect, making the provinces more operational. Functional groups have been promoted to fulfil these objectives that, until then, had only had a minor representation and 16 new exterior plant provincial offices have been created, to design link and subscriber networks and to propose projects for works complementary to the subscriber network. Furthermore, the automation of Maintenance-Switching continues in order to improve service quality, determine maintenance cost, and control installed plant.

On the other hand, Telefónica has held frequent close contacts with the Executive Bodies of the different local Corporations and Autonomous Communities. The background of collaboration ranges from expanding the rural telephone system to industrial agreements, such as the one made with Indelec, a Company in which the Basque Government has an interest, through its industrial companies.

The existence of Autonomous Communities having their own co-official language has led Telefónica to print bilingual telephone directories and to incorporate these languages into different areas: advertising, labelling, public attention service, etc., always counting on the advice and collaboration of the corresponding organizations in each Autonomous Community.

We think that this effort by both Telefónica and the Autonomous Communities is even more important, considering that telecommunications does not have to be transferred to them under the terms of the Constitution.

Internationally, Telefónica is actively participating in the International Telecommunications Union (ITU) and in the Conference of European Post and Telegraph Authorities (CEPT) covering Western Europe together with Yugoslavia. In the ITU, Telefónica participates as a private company with recognised operations" in the International Radio Communications Committees (CCIR) and in the Committee of Telegraph and Telephone Systems (CCITT).

These Committees, with management participation by top Telefónica executives, include many study commissions, work groups, etc., and hold plenary assemblies every 4 years in which the activities and recommendations prepared during the preceding study period are reviewed and approved.

With respect to the CEPT, Telefónica representatives participate in their activities at the invitation of the Spanish Government, with different positions on various committees and work groups.

Telefónica holds the Chairmanship of the Eurodata Board of Directors, a foundation dedicated to carrying out market surveys, especially in the field of Data Transmission and new teleprocessing services.

With respect to international organizations for setting up and operating satellite systems that are international property, the Spanish State is present as a signatory to formation agreements for the INTELSAT systems (International Organization for Telecommunications via Satellite), INMARSAT (International Organization for Maritime Communications by Satellite) and EUTELSAT (European Organization for Telecommunications by Satellite). In all three cases the Spanish State has designated Telefónica to sign the corresponding Operation Agreements, which means their involvement in the governing bodies, meetings of signatories and meetings of the Boards of Directors, together with the Meetings of Governors.

In 1984, when Telefónica celebrated the 60th anniversary of the Company's foundation, the new corporate image was implemented, introducing visual signs of identity and communication more in line with modern-day reality, with the Company's values, and with the future projection that is essential for a telecommunications company.

The new logo, ten points arranged in the shape of a T inside a circle is the updated schematic version of the old Company symbols, and will be progressively incorporated into all of Telefónica's activities and publications.

