Remarks by Amb. David Gross
Global Standardization Symposium
Johannesburg, South Africa
October 2008

I would like to thank Malcolm Johnson and the rest of the ITU Telecom Sector for inviting me to be a part of this discussion. And of course, I want to thank the South African government for hosting us all for this important Assembly, which will take place over the next two weeks.

I've been asked to report on the results of the recent OECD Ministerial on the Internet Economy held in June of this year in Seoul, Korea. I want also to tie the message of that ministerial to the issues emerging at this WTSA meeting here in South Africa.

I must begin by praising our Korean hosts, who provided us with a superb venue for the OECD Ministerial in June, which was also historic in that it was the first OECD Ministerial ever held in Asia. The Koreans have shown that they are at the forefront of progress and development, especially in the area of ICTs and the Internet.

It is also important to note that this was only the second OECD ministerial on this issue since the last OECD Ministerial on information and communications technology held in October 1998 in Ottawa, Canada. Ten years passed between the two meetings, and in that time, the Internet evolved from a technological phenomenon into another phenomenon we have come to call the "Internet Economy." The Internet now underlies almost every aspect of the global economy. Basic functions of our markets, such as trading, are unthinkable without the instantaneous communications fostered by the Internet. Whole industries are coordinated by computer technology and linked by the Internet.

Also, "centers of excellence," in which researchers, scientists, scholars, physicians and students can communicate and share ideas are now joined seamlessly across oceans and continents.

It was in this context of the fundamental importance of the Internet, that the OECD economies gathered in Seoul both to celebrate and assess the Internet economy and its future. Ministers declared their "common desire to promote the Internet Economy and stimulate sustainable economic growth and prosperity by means of policy and regulatory environments that support innovation, investment,

and competition…," and also stated that they were "determined to work together to promote ubiquitous access to ICT networks and services enabling widespread participation in the Internet Economy."

For the United States and many others at the meeting, a crucial part of our shared vision of the future of the Internet is our confidence that "the further expansion of the Internet Economy will bolster the free flow of information, freedom of expression, and protection of individual liberties, as critical components of a democratic society and cultural diversity."

I believe that it is very significant that OECD governments adopted the Seoul Declaration with its visionary language, but I think that it is equally significant that an additional nine non-member countries joined with their OECD colleagues in its adoption: They were Chile, Egypt, Estonia, India, Indonesia, Israel, Latvia, Senegal and Slovenia. We are grateful for the support of these important countries in sharing a vision of a dynamic, open and free Internet in the future.

Besides the Declaration, another very important document that came from the Seoul Ministerial was a supporting document entitled "Shaping Policies for the Future of the Internet Economy." Together, these two documents provide an understanding of the OECD governments' perspective on the current Internet's impact on their economies as well as offer an understanding of our collective vision of the Future of the Internet Economy.

Let me give you a brief overview of the most important issues discussed at the ministerial:

1. **The Internet is a supporting infrastructure**: As technology evolves and services become ever more innovative the Internet has a considerable multiplier effect on the economy. This point cannot be separated from the uptake of broadband. First, the OECD studies have found that "broadband networks allow the expansion, aggregation and globalization of markets" and as goods and services become more customized then productivity gains increase. Second, broadband and networked ICTs can "address challenges such as making government services more accessible, improving health care and providing access to quality education and better managing the environment."

2. **We should strive to benefit fully from convergence**: In Seoul, OECD Ministers spoke of "ubiquitous networks", of sensor-based environments, and

of the "Internet of things." At the core of this discussion is the expectation that next-generation networks and convergence will enable voice, video, data services and sensors to migrate towards Internet Protocol platforms. This migration brings further change and challenges. The OECD called for a reassessment of the "applicability of existing regulation to encourage investment by the private sector and competitive choice in the marketplace." In addition, the OECD noted that in this robust Internet environment "all devices connected to the Internet need IP addresses to communicate." Therefore, Ministers highlighted the importance of policies related to the management of IPv4 and the deployment of IPv6.

3. **We need to promote creativity and innovation:** The Seoul Ministerial began at a familiar point: "As a major depository of information, the Internet also facilitates co-ordination and co-operation among researchers and entrepreneurs, linking the creativity of individuals and allowing organizations to collaborate, pool distributed computing power and exploit new ways of disseminating information." From this point, the picture becomes both more exciting and more challenging. The Internet and ICTs are "profoundly changing" our understanding of the methods of research and the rules of creativity. The new forms of networks involving grid and cloud computing, virtual simulation, and virtual worlds links "science more closely to business, and facilitates the development of informal creative networks." Understanding this growing development, ministers encouraged "universities, government, public research users and business to work together in collaborative innovation networks." However, Ministers were also aware that the new environment for creativity and innovation with its "new collaborative Internet-based models and social networks" must also "recognize the rights of creators and the interests of users."

4. **We must continue to build confidence:** Ministers were clear in Seoul that as the Internet is integral to the global economy, "its continuous availability, reliability and security are vital to governments, businesses and individuals." A "global culture of cyber-security" is needed to protect critical information infrastructures, personal identity, and privacy, as well as protection of consumers and the vulnerable in our societies. Heightened forms of cooperation are needed to "reduce malicious activity online." This can be accomplished, Ministers agreed, "through reinforced national and international co-operation among all stakeholder communities in their steps for effective prevention, protection, information sharing, response, business continuity and recovery."

5. **We should review within three years of its adoption, "the progress made at national and international levels in light of this Declaration"**: With technology advancing so rapidly, we cannot wait another ten years to review our understanding of Internet developments.

The connection between OECD and WTSA:

Ministers observed in Seoul that "as the Internet now serves more than one billion users, the world's economy is now an Internet economy." Decisions and policies regarding the Internet that are made in the OECD have resonance and relevance because the Internet is a global phenomenon that is also constantly evolving. We all know that the Internet is based on a distributed design and decentralized control. New applications and services are always emerging – many call this creating value or innovation at the edges.

Whether we are at the OECD or the ITU, we are all joined in the common purpose of bringing every possible advantage of the Internet and the Internet economy to all the people of the world. At this Assembly in particular, the United States, along with so many others, remains committed to advancing individuals' access to Information and Communication Technology and to facilitating their ability to use that technology.

The ITU plays an increasingly important role in developing the network and associated infrastructure enabling the OECD's vision of the Internet Economy. Broadly stated, the safe, trusted, converged networks emerging from the work of the ITU-T are transforming the international networking environment to facilitate access to a wide variety of Internet and other network services around the world. To a large extent, the Internet economy is carried over networks that depend on technical recommendations developed at the ITU-T. Critical to accomplishing this standardization work are the ITU-T's longstanding working methods that depend on a bottom-up, contribution-driven approach that brings together scientific and industrial expertise of sector members with the expectations of the Member States. Understanding that the complexities inherent in modern networks make it increasingly difficult for any one organization to take on the entire job of global standardization, the ITU-T has successfully and flexibly accommodated new conditions by reaching out to other bodies to develop relationships with them that operate to the mutual advantage of all At this Assembly, the United States will work with all to ensure the continuing role of the ITU-T to facilitate trust in and greater access to Information and Communication Technology and the use of that technology.

We should recognize that the ITU-T has a proud track record in network technologies and has already done much. In Florianopolis, we responded to the urgent international call to recommend a global vision of Next Generation Networks (NGN) and to address technical considerations of cybersecurity such as spam. The ITU-T was the forum of choice for such standards work and we are justifiably proud of the way in which we have accomplished this work. Broadly stated, the safe, trusted, converged networks emerging from the work of the ITU-T are transforming the international telecommunications environment in a way that facilitates access to a wide variety of Internet and other network services around the world. To a large extent, the Internet economy is carried over networks that depend on the technical recommendations developed here. ITU has contributed to all of the incredible global growth of ICTs through the standardization process.

Let me characterize the features of the ITU-T that we believe have been crucial to accomplishing this significant work. The ITU-T has remained consistently faithful to its historical and successful working methods, depending on its membership to provide a bottom-up, contribution-driven approach to defining and solving problems. We here at the ITU-T have had the unique benefit of combining the scientific and industrial expertise of our sector members with the expectations of the Member States to produce standards that are well respected and used around the world.

A second feature of the ITU-T that I would like to highlight is this institution's ability to address new conditions in the networking and standardization communities. The complexities and flexibilities inherent in modern networks make it increasingly difficult for any one organization to take on the entire job of global standardization. Along with others, we compliment the ITU-T on its ability to accommodate these new conditions. ITU-T has reached out to other bodies and developed relationships with them that operate to the mutual advantage of all parties. No doubt these relationships will continue to thrive as the world continues to evolve around us.

I look forward to addressing many of these issues here both in this panel and throughout our stay in Johannesburg. Thank you.