



INTERNATIONAL TELECOMMUNICATION UNION TELECOMMUNICATION DEVELOPMENT BUREAU

**WORLD TELECOMMUNICATION DEVELOPMENT
CONFERENCE (WTDC-98)**

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PLENARY MEETING

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Introduction

The United States congratulates the Government of Malta for hosting the second World Telecommunication Development Conference (WTDC) in the historic city of Valletta. Four years ago in Buenos Aires, Argentina, the first WTDC committed to pursuing policies that encourage private investment, competition, and universal access to develop a healthy and robust network of networks for the global community. Today the basic ideas behind a global information infrastructure or global information society are broadly accepted. However, despite the great gains that have been achieved, much work remains to be done. The United States looks forward to participating in the Valletta WTDC, which provides the global telecommunications community with the opportunity to further our objectives of making telecommunications and information services accessible to all at affordable rates.

The first WTDC marked the beginning of an era in which the world of telecommunications changed dramatically. Today's global economy is increasingly dependent on instant access to information and advanced telecommunications. Governments, industry, and consumers are recognizing the power of the telecommunications and information market by dramatically increasing the use of domestic and global networks for various applications, including electronic commerce and research, as well as to gain a better understanding of one another. Technological developments such as new satellite systems providing worldwide broadband capabilities, innovative applications such as the Internet, and new entrants are making communications more accessible to people around the world. The forces of liberalization, competition, and globalization have been stronger than anticipated, resulting in a paradigm shift in the way telecommunications is viewed, and culminating in the conclusion in 1997 of the World Trade Organization Agreement on Basic Telecommunications.

The Valletta WTDC provides us with the unique opportunity to take up the challenge of ensuring that the International Telecommunication Union assists Member States most effectively to make the information revolution accessible and beneficial to all.

The ITU Development Sector (ITU-D)

The ITU-D has made significant progress during the first study period, but some areas require refinement of processes and priorities. The ITU-D has played a catalytic role in bringing together developed and developing countries to stimulate partnerships between governments, the private sector, service providers and other telecommunications entities. As the next millennium approaches, the ITU Development Sector has a challenging role to further increase the efficiency and effectiveness of its work in benefiting global development, particularly for the least developed countries (LDCs).

The United States is committed to working within the ITU and with all participants to make the work of the Sector, as well as its goals and objectives, become even more strategic. An increase in Member State and Sector Member participation is critical to the ITU-D's success in the future. Currently, LDCs participate to a certain degree because their participants are granted fellowships to attend, but many "emerging economies" are missing from some of the most critical work of the Sector. The ITU-D must develop a work programme that can most effectively assist its Members during this period of change and that takes into account time and resource constraints.

In order to invest most effectively in telecommunications infrastructure, developing countries need access to the best information about current telecommunications technology and policy. The United States is supportive of the ITU-D's continued dedication to making its own work processes more efficient and its Advisory Board and activities more open so that it can best serve the information needs of developing countries. The proposals which follow highlight six recommendations for preserving the successes and for further advancing the goals of the ITU-D.

USA/45/1

Establishing priorities and budgetary transparency

The United States strongly endorses the principle that the Valletta WTDC establish priorities for the ITU-D Sector and that these be reflected in an updated Strategic Plan. The United States recognizes the efforts already undertaken by the Development Sector to set out its mission, objectives, and priorities for the 1999 to 2003 period in a draft Strategic Plan. Because the Strategic Plan is an evolutionary document and is likely to change before the WTDC, the United States will provide additional comments concerning the Strategic Plan at a later date. However, the United States proposes that the mission and the priorities of the ITU-D be more clearly and succinctly articulated, and that the D Sector section of the ITU's Strategic Plan align more closely with the T Sector and R Sector sections.

As a further step to make the D Sector's efforts more transparent and to assist in focusing the resources of the Sector, the United States encourages the Director to develop an operational and financial plan similar to those prepared by the ITU-R Sector. The financial plan should contain a budget that identifies the specific costs associated with the Sector's individual programmes. The D Sector operational plan should have clearly defined goals and work programmes, including specified deliverables and timetables. The Member States and Sector Members should be kept apprised of these budgets, goals, and work programmes so that they have a better understanding of the activities of the Sector.

USA/45/2

Adapting to a dynamic telecommunications environment

For more than 100 Member States which are not yet part of the WTO Basic Telecommunications Agreement, there is a high risk of not being able to effectively respond to global market changes. If liberalization and competition become the "rule of the game" for 90% of global telecommunications revenue, but only 10% of the world population, the countries that are slower to adopt liberalization may find themselves losing out on the benefits of investment, technology, innovative services, and consumer benefits. Many of these same principles were adopted at the 1996 ITU World Telecommunication Policy Forum on Global Mobile Personal Communications by Satellite (GMPCS). Implementation of these principles and policy approaches contained in Opinions 2 and 5 from that Policy Forum and in the GMPCS MoU Arrangements, derived from Opinion 4, bring all ITU Members closer to accruing the benefits of advanced telecommunications services.

Therefore, it should be a priority for the ITU-D to focus its efforts on assisting Member States during the transition to a competitive telecommunications market. As Member States undertake reform measures, the ITU-D can contribute to the ITU "information pump" through the development and dissemination of information concerning telecommunications practices and procedures so that Members can share knowledge and experiences in their efforts to advance telecommunications and information development.

The following principles, which have been studied and recommended in the ITU-D Sector study group work, are crucial to the establishment of a competitive telecommunications market:

Transparency - The principles of transparency, objectivity, and non-discrimination are applied so that all operators are subject to the same conditions to achieve fair competition.

Investment - Because demand for telecommunications services surpasses the ability of individual governments to pay for the development of a network to provide such services, private investment should be relied upon to develop the telecommunications infrastructure. To obtain investment, stability and assurances are necessary.

Provision of universal access/service - The provision of universal access/service is one of the most important objectives of telecommunications policy and legislation in developing countries. While playing an active role to ensure that the provision of universal access/service is successful, the government should also examine how responsibilities can be appropriately allocated to telecommunications operators and local governments, particularly in a competitive multi-operator environment.

Establishment of fair competition - When liberalization and competition are contemplated, the following activities must be undertaken:

- prevent or correct possible abuses of market power by the dominant telecommunication service provider;
- create conditions that enable new service providers to become operational;
- act as a surrogate for competition and maintain pressure on the dominant operator to perform well and fairly until competitive pressures are sufficient to take over this role;
- support distributional goals, such as service to remote or disadvantaged geographical areas or segments of the society.

Innovation and development of the network - Innovation and development of telecommunications networks and services should be left primarily to market forces. Improved

networks and policies invite and encourage foreign investment. Allowing for fast and clear standardization processes, unambiguous interconnection interface definitions, and freedom to select appropriate technology will stimulate economic growth and stability.

Interconnection - The interconnection of one network to another is what allows the subscribers of one network to communicate with the subscribers of another. This in turn allows multiple service providers to serve a market. The terms of interconnection must be fair and transparent; the incumbent service provider should not be unfairly disadvantaged. Interconnection of different supplier networks is fundamental to instituting a competitive environment.

Establishment of a regulatory body - To ensure that liberalization efforts are successful, it is essential that a regulatory body be established that is objective and protected from political pressures, and that can develop rules on issues such as interconnection and licensing in an open and transparent manner.

USA/45/3

Future TDAB membership and functions

The United States supports the conversion of the Telecommunication Development Advisory Board into an open body, which would replace the closed structure of the current TDAB. The transformation of the TDAB compares with the open membership structure of the TSAG and RAG, the advisory groups of the ITU-T and ITU-R respectively. An open advisory body will advance the dissemination of information about the ITU-D's efforts to promote telecommunications development and will further the TDAB function of advising the BDT Director on priorities and strategies for ITU telecommunications development actions.

USA/45/4

Flexibility of work methods

In the interest of maximizing the efficiency of the work of the ITU-D Sector and to be responsive to the rapidly changing nature of technology and telecommunications markets, the United States supports increased flexibility of the Sector's study group work methods. Study groups should be empowered to organize and accomplish work programmes in a flexible manner that will make optimum progress within realistic resource constraints.

In addition to four-year study periods, the United States highly recommends that study groups implement shorter output deadlines and require interim deliverables. This approach can permit the ITU-D work to be more useful to its Members that face rampant change and new challenges. This approach also will permit experts to consider study group recommendations in a more timely manner. Study groups may consider 6 month or 12-24 month projects, as appropriate to the Question. Study groups may find smaller rapporteur, focus, or regional groups are necessary to address certain Questions efficiently. The use of modern means of communications may help to reduce demands on limited resources.

Recognizing the limited resources available within the ITU-D and its Members, the WTDC should prioritize its work and carefully select Questions for the Development Sector to maximize the efficiency of the study groups and the usefulness of the studies. While there are many issues that the Sector would like to address, we must recognize that there are competing interests and limited resources. If the difficult decisions are not made to prioritize the Questions, then the quality and effectiveness of the work of the Sector is at risk.

Study groups should have the flexibility on an ongoing basis to direct their work to meet changing priorities and to coordinate with the BDT to focus limited resources to achieving those priorities. Thus, if a Question assigned to a study group engenders little interest and lacks contributions or participation, the study group should suspend or terminate the activities related to that Question and not expend valuable resources and time trying to produce a result for fear that it will reflect poorly on the Sector. Indeed, making a choice to terminate work due to lack of participation should not be seen as a failure, but as a maturing of the ITU-D Sector that can now prioritize its work and make the difficult decisions due to the benefits of experience.

The United States urges the study groups and the BDT to improve cooperation with regional telecommunications organizations involved in similar work, to maximize the benefits of cooperation and experience and to eliminate duplication of efforts. Where necessary, the BDT also should have the ability to engage outside consultants, under study group direction and oversight, to ensure that products are responsive to study group mandates and work programmes as well as to marketplace realities. In other words, the strength of the ITU-D study groups should be their ability to ascertain the needs of the Development Sector and respond with appropriate solutions and safeguards as warranted, and should not be locked into a specific way of responding.

USA/45/5

Information dissemination

Given the importance of the work of the ITU-D Sector to the Member States and the desire to have Member States and Sector Members more closely involved in the work of the Sector, the United States recommends that the ITU-D begin regular communications and reporting to Member States and Sector Members regarding the Sector's activities, programmes and outcomes. This will raise the awareness of decision-makers regarding the benefits of telecommunications development (one of the ITU-D's primary functions). The widespread and regular dissemination of Sector information is also likely to increase Member State and private sector involvement in ITU-D activities. The low level of participation of many developing countries, as well as Sector Members, in the work of the ITU-D study groups is of concern, and better dissemination of ITU-D information may make the work of the Sector more relevant to its key constituency.

To this end, ITU-D effort in disseminating information through the Internet is important, as is helping developing countries to gain the expertise needed to access and use this resource. The United States is proposing a study group Question which focuses on activities and efforts to improve Internet infrastructure and applications. As part of this philosophy, and as an adjunct to what the United States is proposing for the study groups, we believe the ITU-D should move expeditiously to use the Internet as part of its working methods - for example, using the ITU website to disseminate work programmes and interim reports on study group activities, or as hot links to other relevant organizations engaged in dissemination of information. Additionally, the completion of the ITU-D regulatory web page would improve educational efforts among ITU Members on the status of liberalization efforts. Further, study group and working party efforts should increasingly rely on Internet correspondence to promote efficiency and reduce demands on limited resources.

USA/45/6

Coordination with regional organizations and other ITU Sectors

The United States supports coordination and encourages greater cooperation and collaboration between the ITU and regional organizations on telecommunications development activities. The

relationships between regional organizations and the ITU-D Sector will be stronger and more efficient if communication is improved and duplication of effort is minimized. The United States believes that the telecommunications industry and the work of the private sector are critical to telecommunications development. Regional organizations benefit greatly from the participation of the private sector, given their wide-ranging expertise, resources and experience in development activities. We encourage all regional telecommunications organizations to open and expand the opportunities for the private sector to be participants and partners in applying the benefits of new technology and services.

The United States also encourages the ITU-D to work closely with the ITU-R and ITU-T to effect a sharing of knowledge among the three Sectors. Such coordination would contribute to efficient management of ITU resources.
