

**“ITU-D: The Opportunity Alliance”**

**Remarks By  
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**Introduction**

Thank you for that very considerate introduction.

It is an honor to speak before such a prestigious group of telecommunications leaders.

My greetings to ITU Secretary General Utsumi.

And my special thanks to ITU-D Bureau Chief Hamadoun Toure.

Mr. Toure told me last June about the possibility of a convocation of world communications regulators, and I embraced the idea immediately.

My experience in Naples, at the IRG (European Independent Regulators Group), and in Gabarone at the annual meeting of TRASA (Telecommunications Regulators Association of Southern Africa), convinced me that shared experience leads to shared progress for all of the people we serve.

**My Country Benefits**

That is why it is so important that we meet.

When Uganda’s Minister John Nasasira implemented a set of predictable and transparent communications regulatory procedures for the first time in his nation’s history, my country benefited. Companies in my country will be interested in investing in his country, and the citizens in our two countries will be able to talk to each other more easily and at lower international rates.

When the Transport and Communications Ministry in Thailand wisely relinquished its licensing power to the newly independent Telecommunications

Commission, my country benefited. It reinforces the licensing power of my own agency, and it helps spread the web of wireless technology the world needs to prosper.

India's Prime Minister Vajpayee has adopted information technology as a national strategic goal, and that is a good lesson for my country, for the citizens of his country have provided so much of the software engineering on which my country relies.

And when Argentina's Communications Secretary Henocho Aguiar proposed that the national universities of South America be linked electronically, it increased my own resolve to connect all of my country's schools and libraries to the Internet. We have nearly completed that goal.

"No man is an island, entire of itself," said the poet John Donne, and I believe that no nation can be entirely of itself in today's world of technological interdependence.

### **The Hard Work**

But just as we cannot island each other off, neither can we wish away the hard work to be done.

You and I are taking on some of the most difficult tasks modern government can be called on to do.

Breaking up decades or even centuries of monopoly power is like trying to break up a huge logjam in a river. It is done one log at a time, one day at a time.

In the United States, the courts decreed that transmissions across our state lines, what we call long distance, be made competitive, but it took fifteen years to make that a reality. We now have six hundred long distance providers, and my agency fought for every one of them, one log at a time.

Now we are trying to create the same kind of competition in the local telephone market, inside our state borders. Today that market is where long distance was fifteen years ago, but we do not have the luxury of fifteen more years to make this happen.

The governing law to make this happen is our Telecommunications Act of 1996. Congress, industry, the Commission and the President all came together and said the local telecommunications markets had to become competitive. There was a good feeling throughout the country that things were about to change.

Then the hard work began.

It took a year just to adopt the rules implementing the law, because industry and consumers fought over nearly every word in the rules.

Then it took another year, because industry decided to test all of our rules in the courts. The same industry that shook our hands in 1996 handed us lawsuits in 1997. We went all the way to our Supreme Court – the highest court in our land -- and we won, but it took time.

And only in the third year could we begin implementing the rules, and that is where we are today.

And it is still a day-to-day fight.

My agency's budget, for example, has to be approved each year by our legislature. This year, some companies have used the budget process to try to undo agreements industry made with us earlier in the year. Industry tries to achieve in a lawmaker's office what they could not achieve in open hearings before our agency.

Then the lawmakers, who are being pressured by industry, call me to testify before their own open hearings. They ask me why I am pushing so hard for competition. I tell them that I am just implementing the law they voted for in 1996.

### **What Monopolists Say**

I know you are facing the same kinds of pressures.

Monopolists will tell you that you cannot have competition and universal service at the same time.

They will tell you that you cannot break up their holdings, and hope to attract private investment at the same time.

And they will tell you that they cannot survive if they have to make their facilities available to their competitors, and at cost.

Don't believe them. Talk to me and talk to your colleagues here at this meeting.

Competition and universal service can go hand-in-hand. They have in my country for many years. But you need the support of your country's leaders to create a universal service support system, to which every competitor contributes proportionately. Competition can even stimulate universal service, because it lowers prices and expands areas of service, so that more consumers can afford and receive the service.

Privatization has been carried out many ways in many countries, and state monopolies have been converted to fair and effective competitors, with the proceeds going to the public treasury.

And dominant providers can compete and open their facilities at the same time. Interconnection, unbundling and collocation are three of the most innovative techniques of modern regulatory practice. We are implementing them state-by-state in the United States, and they are spreading country-by-country throughout the world.

Perhaps the hardest part of your job is getting the established powers to cede power to your agency . . . especially if you report to one of those powers, such as a ministry. The power must be transferred, and, once transferred, it must be exercised in a balanced and open way. You will need fair and transparent proceedings to encourage the investment you need.

That is the kind of change necessary to allow competition to take hold, and it requires that you create the political will in your country's leadership to allow this transfer of power to take place.

I have heard it said that the God was able to create the earth in just seven days because He did not have to deal with entrenched monopolies.

Your task is slightly harder.

### **Development Initiative**

In 1994, Vice President Al Gore presented principles for liberalizing telecommunications markets to the ITU Development Conference in Buenos Aires. He described how each country can participate in the new information economy, and become part of a Global Information Infrastructure, or "GII." The WTO later incorporated these ideas into its Basic Telecommunications Agreement.

Now my country is working with emerging economies around the globe as they embrace these principles in their own communications systems, and become part of the WTO.

Our motives, of course, are at least partially in our own self-interest. Vibrant and open world-wide networks increase the vibrancy of our own economy and networks.

But it seemed to me that for too long we expended more talk than effort on the GII. I thought that if my country wants to see change, it has to help it happen. We have an obligation to share our hard-earned knowledge about making these transitions.

That's why I launched the Development Initiative to provide telecommunications policy and regulatory assistance to emerging economies. The FCC does not have funding for infrastructure, but we do have experience in creating infrastructure through competition policies, and we are eager to share that experience.

The key organizing principle for the Initiative is competition -- competitive choice in every aspect of the telecommunications market. We have found that competition invests a market with powerfully transformative forces. It simultaneously stimulates service, choice and innovation, while it limits waste, duplication and prices.

We have signed Initiative agreements with eight nations: South Africa, Uganda, Ghana, Argentina, Jamaica, Peru, and with India and Thailand. Plans are underway for agreements with Brazil and the Philippines, and we hope to sign agreements with Hungary and Turkey in December.

We selected these nations because we believe they can serve as catalysts for change in their regions, and because their telecommunications environments are conducive to the kind of change envisioned by the GII.

The agreements are two-way partnerships in which we share our experiences about open markets, competition, spectrum management, licensing, and procedures for operating an independent agency.

We have included the best of our practical experience in a book entitled *Connecting the Globe: A Regulator's Guide to Building A Global Information Economy*, and its companion volume, *Connecting the Globe: The Africa Initiative*. It is printed and available on our web site ([www.fcc.gov](http://www.fcc.gov)) in English. French and Spanish versions are coming soon. Also, with the help of Cisco Systems, we are developing a nine-module interactive course on modern regulatory management that we plan to post on the Internet very soon.

### **The Opportunity Alliance**

We offer these materials to you, but you have to turn them into action.

We can advise and confer, but you have to lead.

Yet while no one can do these things for you, you are not alone.

That is why you are meeting here today. I call ITU-D the "opportunity alliance." ITU-D can link arms with you, and give you the international backing you need to implement these reforms in your country.

And the opportunity is great. Hamadoun Toure and his staff at ITU -D are on your side. Technology is on your side, as well.

Technology is becoming more capable and less expensive. Fiber is less expensive than copper, and hand-held communicators are more portable than desktop computers.

Your opportunity is to leap-frog the old technology that limits the rest of us.

In the United States, we talk about the promise of Software Defined Radios and Ultra Wideband Receivers, but you may be the first to really put them to work.

Developing economies become the technology test-beds of the future. We can offer the experience looking backward, but you can offer the applications looking forward. The United States becomes the student of Uganda and Argentina and India.

The future may not be a hard-wire in every home, but a phone number for every person who is reached through the airwaves and satellites. Universal access may be defined not by its obligations, but by its abundance.

That may be how we can close the global digital divide. A former president of my nation, Abraham Lincoln, said that “a house divided against itself cannot stand.” He was saying that our nation could not exist half-slave and half-free.

But neither can the modern world exist half-connected and half-ignored.

We are not talking about just ordering cinema tickets through the Internet, or staying in touch with our relatives. We are talking about delivering the best of urban medicine to remote rural areas, and giving every impoverished child in a rural village a quality education. We are talking about expanding public safety and preserving public culture.

President Clinton witnessed this in India, when he saw women in rural villages lined up to log onto the Internet to ask questions about child care.

The choice is not between food and computers, or vaccines and video. It is between getting the vaccines to the remote areas, or having the vaccines stuck in urban warehouses. The vaccines exist, and they have existed for a long time. What has been missing are the connections and delivery to those who need them.

And the GII can provide that. The GII is the link, the bridge, the medium and multiplier of the common good.

Just as John Donne said he was diminished by the death of every man, “because I am involved in Mankind,” we can be buoyed by the birth of every child, because we will be involved with that child, and every child will be the world’s child.

And when Donne closed with the lines “for whom the bell tolls, it tolls for thee,” he was talking about the call for help, the tolling bell of man’s soul.

I hear it ringing, and I hope you do too.

Thank you.

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