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| **Council Working Group on international Internet-related public policy issues** |  |
| **Eighth meeting – Geneva, 13-14 October 2016** |  |
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|  | **Document XX** |
| **22 September 2016** |
| **English only** |
| **United States** | |
| us government response to the cwg-internet consultation | |

**Introduction**

The United States welcomes the continuing discussion on ways to achieve an enabling environment that supports more people having access to the Internet. The United States supports the effort to connect the next 1.5 billion people to the Internet by 2020, and to help achieve that end has established the Global Connect Initiative (GCI). The Global Connect Initiative seeks to raise awareness among policy leaders, including Finance Ministers, that an enabling environment for the deployment of broadband connectivity will help educate and inform their people, open new market opportunities for small business and entrepreneurs, and result in GDP growth. A World Bank study found that for every 10 percentage point increase in broadband penetration, a developing nation can expect a boost of approximately 1.4% in GDP. However it also found that without a strong focus on development, education, and digital literacy countries will not be able to reap ample digital dividends—in faster growth, more jobs, and better services. It follows that, falling behind in building connectivity will be crippling to a country’s growth potential.

It seems that the price of not being connected is heavy. According to the McKinsey Global Institute, the amount of cross-border digital bandwidth that is used today to move data has grown 45 times larger since 2005. It is projected to increase by an additional nine times over the next five years -- connecting more people, ideas, and businesses. For those who are digitally-isolated, their opportunities for growth and success will diminish, exacerbating inequality and further disadvantaging billions of people.

**Toward an Enabling Environment to Promote Internet Connectivity**

There is growing consensus that while a one-size-fits-all approach may not be viable for the entire world, particularly in least developed countries, but there are some common principles and approaches for advancing our shared global connectivity goals:

1. Internet connectivity should be an integral part of all national development strategies;
2. All stakeholders, including governments, industry, civil society, the technical community, international financial institutions and international development organizations, should accelerate efforts towards universal connectivity;
3. Innovative industry-driven solutions to extend connectivity to remote areas should be encouraged;
4. We should foster digital literacy, enable and promote the development of locally relevant content, applications, and services as they are essential to widespread adoption of the Internet and increase its social and economic value to people, families, and communities;
5. We should encourage public access, as for example in public libraries and community centers, among others;
6. We should help create enabling environments by adopting policies and strategies that focus not only on spurring connectivity, but also entrepreneurship, cross-border information flows, and open and competitive marketplaces; and
7. We should make Internet connectivity more available, accessible, and affordable around the world, as that helps us achieve the Sustainable Development Goals.

An Increasing Pool of Resources

The United States notes there is an increasing body of work and capacity building resources available for policy makers, regulators and potential business entrants to support developing countries efforts to increase broadband deployment. The ITU has played an important leadership role in this area. Other regional and international organizations are also playing important roles. For example, GSMA offers the Capacity Building Programme <http://www.gsma.com/publicpolicy/capacitybuilding>; IDB and OECD just published the Broadband Policies for Latin America and the Caribbean: A Digital Economy Toolkit <http://www.oecd.org/publications/broadband-policies-for-latin-america-and-the-caribbean-9789264251823-en.htm>, CISCO runs the Networking Academy <https://www.netacad.com>,

and the United States Telecommunications Training Institute <http://ustti.org>

provides tuition free courses in technical and regulatory matters.

Infrastructure financing is a major need for developing countries and is a focus for GCI and the UN Broadband Commission, among others. That focus is bearing fruit as development banks are approving funding for broadband infrastructure projects. For example, the U.S. Overseas Private Investment Corporation (OPIC) approved up to $171 million in financing for a low-cost and rapidly scalable wireless broadband network in India. The African Development Bank has played a major role in financing projects to deploy submarine cables, regional networks and national backbone infrastructure in Africa.

**Toward an Enabling Environment to Promote an Affordable Internet and Quality of Access**

The United States is a proponent of competition as a determining factor in price and quality of service. In March 2016, the U.S. President’s Council of Economic Advisers issued a report that found a relationship between competition, price, service and usage: “In areas where there is more competition, all else being equal, we should see higher levels of service quality and lower prices which, in turn, should lead to higher percentages of Internet usage.”[[1]](#footnote-1)

Other studies have shown the affordability of devices is a factor, particularly in developing counties. The Alliance for Affordable Internet notes a reduction of taxes and duties is a way to reduce mobile handset prices, “A large portion of the total cost of a smartphone results from import and sales taxes levied on the devices. Governments in some countries — most notably in Africa, where device costs have fallen least since 2008 — have recognised that reducing such taxes can lead to higher future tax revenues by boosting economic growth. Earlier this year, the government of Côte d’Ivoire, for example, took the bold decision to reduce taxation on smartphones from 26% to 6.6%. It is imperative that other governments take such steps and play their role in the proliferation of affordable smartphones.”[[2]](#footnote-2)

Other methods to encourage economic efficiencies in network equipment and end-user devices are through global standards rather than regional or country-specific standards, and uniform conformity assessment and certification procedures. In its work on the digital economy, the G20 this year acknowledged the role of international standards for information technology products and services. “Development of standards should be industry-led, based on principles of openness, transparency and consensus, and standards should not act as a barrier to trade, competition, or innovation.” In the areas of conformity assessment the G20 called on members to “strengthen their cooperation and communication of conformity assessment procedures, certifications and accreditation.”[[3]](#footnote-3)

**Toward an Enabling Environment to Build Confidence and Security in the Use of the Internet**

The digital community is committed to an open, reliable, and interoperable Internet. Consumer and business confidence is now a foundational element for the continued success of the Internet and the growth of the digital economy. Two critical elements to achieving confidence fall into the categories of developing a strong workforce with the expertise and skills to manage the digital ecosystem and a risk management approach to security.

The United States promotes a whole-of-community approach to risk management, security, and resilience for cyber threats. A whole-of-community approach involves partnership between public, private, and non-profit sectors, and a clear understanding of the risks collectively faced.

An important element of this approach is the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity (the Framework), a voluntary framework for reducing cyber risks to critical infrastructure.[[4]](#footnote-4) It was developed through a collaborative process, led by NIST, in which stakeholder input played a significant role in shaping the process and the final document. The Framework is being implemented in a host of critical infrastructure sectors, government departments and agencies, and organizations ranging from multinationals to small businesses. The U.S. Government is also partnering internationally to promote a risk management approach to cybersecurity by promoting the Framework’s global adoption.

Industry and government are increasingly embracing a risk management approach to digital security. Last year, OECD members agreed to a comprehensive guide for the management of digital security risk aimed at optimizing the economic and social benefits of digital openness, the [*Digital Security Risk Management for Economic and Social Prosperity*](http://www.oecd.org/publications/digital-security-risk-management-for-economic-and-social-prosperity-9789264245471-en.htm)*.*

The scope of threats that endanger confidence in the security of Internet usage are diverse and growing, and these can harm governments, users, as well as companies. These various stakeholders may face some threats that are similar, but may have divergent needs. They also can bring a wealth of diverse expertise, experiences, and capabilities to the dialogue on security and confidence. Joint collaboration among all stakeholders to address vulnerabilities is likely to find the most effective solutions to ensure that all can trust that their interactions online are secure.

**Role of Governments in Building an Enabling Environment**

Governments play an important role in developing a regulatory environment conducive to investment and competition. At the same time, governments are responsible for ensuring respect for human rights and freedom of expression.

While promoting gender equality and access to persons with disabilities are issues many stakeholders can contribute to, government can be in a position to set priorities and support policies and programs that pave the way for these important groups.

Good government practices are as important in creating an enabling environment for broadband infrastructures as they are in other areas. Investors and financing agencies look for transparent and clear rulemaking processes, available for public input; consistent legal and regulatory enforcement including in the areas of consumer protection and anti-competition; and a stable tax and financial environment. In the case of infrastructure deployment, clear rules regarding the use and protection of the public right of way, as well as expedited local permitting processes are essential.

**Conclusion**

The United States is pleased that the Open Consultation and the Council Working Group chose to explore these themes. The topics discussed are foundational to creating a vibrant digital ecosystem that will lead to innovation, economic growth and social benefits. We must get these foundational issues right to truly leverage the potential of the Internet.

1. The Digital Divide and Economic Benefits of Broadband Access, U.S. Council of Economic Advisers, March 2016 [↑](#footnote-ref-1)
2. 2015-16 Affordability Report, Alliance for Affordable Internet. [↑](#footnote-ref-2)
3. G20 New Industrial Action Plan [↑](#footnote-ref-3)
4. See the Framework for Improving Critical Infrastructure Cybersecurity at <http://www.nist.gov/cyberframework/>. [↑](#footnote-ref-4)