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Introduction

Thank you Professor Akwule for that very warm welcome and kind introduction.

Honorable Ministers, distinguished guests, ladies and gentlemen, I am honored and delighted to be here today at the 10th AFCOM conference. I am grateful for this opportunity to share my views with you, to exchange ideas, and, more importantly, to become acquainted with you in my new role as Chairman of the FCC as we strive to achieve common goals for our citizens.

I've had the privilege of meeting some of you already. Last May, fifteen regulators from Ghana, Uganda, and South Africa participated in a two-week long technical briefing at the FCC. Since then, I've also had the opportunity to meet with policymakers from Egypt and Morocco. It is good to see you all again, and I wish you all a very productive conference. I commend your commitment to the development of telecommunications markets and pro-competitive policies in Africa.

Conference Theme: "Bridging the Digital Divide"

The theme for this year's conference is "bridging the digital divide." The digital distance of Africa from other parts of the world is real and serves as a warning about the importance African nations and their policymakers must place on advancing into the information age, lest they be left out of the next period of economic development and prosperity.

We are all aware of Africa's need for communications and information infrastructure. You know it first hand. You live it everyday. Suffice it to say, though, that of all the regions of the world, Africa's situation is compelling in scope and importance and deserves the continued, immediate attention it is getting. But there seems to be some good news too.

Last night I came across the headline on the AFCOM web site, which in big bold letters said, "Internet usage growth in Africa tops 100%." I just had to read on (or should I say, I just had to "click" on to find out more). The article, which I am sure many of you in this room are familiar with, reports on a statistics from BMI-TechKnowledge's "Communication Technologies Handbook 2001" that show that Internet use and cellular telephony are massive growth areas across the African continent. For example, the article says that the number of Internet users in Africa has increased from 2.5 million in 2000 to nearly 5 million in 2001; that the Internet growth rate would be 126% if South Africa were excluded; that all 56 African countries are now

online, up from only 11 in 1996; that fixed-line telephones have increased by nearly 4.5 million lines, from 18.6 million in 2000 to 23 million in 2001 across Africa; and that mobile phone subscribers have increased by over 50% with 5 million new users, from 10.8 million in 2000 to 16 million users in 2001.

Africa's leaders - and indeed the world's leaders - are right to focus on the challenge of enhancing access to information and communications technologies and must advance a concerted effort to help developing countries join this information era. Technology, though not a panacea, is a tool that offers great promise for addressing some of Africa's most daunting problems. It is terrific that we are beginning to see progress on this front.

Changing our focus from "Digital Divide" to "Digital Development"

The term "Digital Divide" has been used to describe many types of problems spanning from the lack of basic telephone service - the oft-cited statistic is that more than half of the world's population has never even made a phone call - to the lack of access to advanced broadband technology.

I consider the challenge of underserved populations to be very important - both in the United States and abroad. Like all slogans, the "Digital Divide" helps focus attention on a complex reality. However, it is less useful in helping us to find answers, and may not fully capture the breadth of our challenge.

In a world of constant technological change, it does not serve the Developing World to view the problem as a "race to parity" with the Developed World. The power of technology relentlessly increases at an astonishing rate. Technology does not and will not stand still. It will not be "caught." With each new iteration, it offers new enhancements and new opportunities. Technology is a tool that can increase the productivity of the person that possesses it. Unlike a simple hoe or hammer, however, information and communications technology is not a static advance. It continually increases the ability of its users exponentially. As all people of the world get these technologically enhanced tools (as they will), I worry that rather than bridge a divide, the gulf will widen as better-off communities advance at even faster rates.

This reality should not in any way discourage efforts to increase opportunity, however, but suggests that we should not conceptualize the critical exercise as a chase. Instead of running after the latest and greatest technology device, we ought to develop effective strategies that foster the conditions necessary for innovation and the productive, efficient deployment of technology in our communities.

Today I ask you to join with me to shift our focus from the reality of "Digital Divide" to opportunities of "Digital Development."

Components of Digital Development

Digital development must have a number of components: infrastructure, pro-competitive policies, intellectual capital, and our individual citizens.

Infrastructure

First, is infrastructure. As you know quite well, with any development, infrastructure is critical. It is only the first step, but a most essential one, to have a communications infrastructure that is capable of efficient, ubiquitous and affordable access to digital transmission.

And as we all realize, digital infrastructure is not static. It is constantly developing and changing. And it comes in many forms and flavors of both "narrowband" and "broadband": wireline (twisted pairs, coaxial cable, fiber optics), wireless (GSM, CDMA, fixed, mobile), and satellite (GEOs, LEOs). And it includes a wide variety of consumer and end-user devices, which empower and enable all people to engage in the type of commerce and communications that meet their needs.

We also need to respect and understand capital markets. Infrastructure development and deployment is very capital intensive. Therefore, one of the greatest challenges is to foster an economic and regulatory environment that amasses capital that can await a return that may not come until well into the future. I would suggest that the key, then, is to get in place a basic infrastructure that ideally is privately owned by several competing providers and that has a reasonable ability to migrate with advances.

Moreover, we should focus on the establishment of an environment that fosters innovation, entrepreneurship and change. These are risk-taking ventures always, and government policy must focus on lowering those risks as much as possible in order to foster development. As policy makers, we need to understand the nexus between technology, appropriate regulation and capital markets.

Pro-competitive Policies

This leads me to the next component of digital development: pro-competitive policies.

Government policy and the regulatory environment are very important to realizing the gains of digital development. To attract capital to build infrastructure and deploy services, the risks of government intrusion must be limited. More importantly, there must be a perception of a fair, unbiased and stable regulatory forum. I am of the view that an independent regulatory body is essential to creating this environment.

I am moderating the online conference entitled "Regulatory Independence" on the ITU's Global Regulator's Exchange (G-REX). At the end of June, my inaugural message on "Defining Independence" had been read 262 times and there are a number of other contributions and questions. If you have not participated in the online conference yet, I would encourage you to do so.

I also want to assure my colleagues from Africa that, under my Chairmanship, the FCC will continue to stand with you in your efforts to create respected, independent telecom regulatory regimes. The FCC has always provided substantial technical support to our counterparts from Africa on specific issues such as interconnection, spectrum management, competition in telecom services, numbering, and universal service.

Since AFCOM 1999, the FCC has made great strides in working in partnership with fellow regulators in Ghana, Uganda, South Africa, Nigeria, Morocco, Egypt - to name only a few. Our goal is to work with our counterparts as they develop the skills they need to promote competition, liberalize markets, and adopt transparent, pro-competitive regulatory policies at home.

In sum, for all of this to come together, regulators need to promote healthy competition to give our people not just access, but choices. I believe that we should continue to harness the power of market forces to respond to business, consumer, and government's demand for telecom and information services. In other words, as policymakers we should continue to facilitate competition in the market as one of the prime means of ensuring "Digital Development." Particularly in areas that are high cost, underserved, or unserved, aggressive and transparent use of universal service devices that do not undermine competitive incentives would need to be considered.

Intellectual Capital

The next component is improving technology literacy of our collective human resources - that is our citizens' intellectual capital. Tools and equipment are necessary to be in the game, but having them alone will not advance one's economy, increase productivity and wealth, cure the scourge of disease and famine, or educate a child. Leaders and citizens alike need to get past the simple mechanics of using a computer or just surfing the Internet. Instead, they must understand the basic workings of technology - the fundamentals - so that reliance on imports of intellectual capital can be minimized.

A great man once said that those who are good memorize sentences, but those who are great know the alphabet. Our children will need to understand the alphabet of technology. Our schools and programs have to do more than train the next generation of clerical workers if you hope to enjoy the true promise of prosperity of the technology revolution.

Individual Citizens

Finally, the last component involves the integration of our citizens. We need to remember that information and communications technologies are simply a tool. It must be adapted to our cultures and our societies. It must be integrated into our lives in a way that solves problems for people and empowers them. Applications like telemedicine and distance learning are the goals, not simply owning shiny computers with Internet browsers. At the end of the day it is all about people and we cannot forget it.

Conclusion

I am sure you will agree with me that the ability to access, share and distribute information is vital to every country's social, political, and economic development. It is clear that the deployment and use of information and communications technologies will only improve the lives of people in Africa and in developing countries everywhere. I look forward to working with you on the challenges facing us telecom policymakers in devising creative ways to foster development information and communications technologies to help our businesses, governments, and communities to become more effective, efficient, and productive. I also look forward to

seeing how the U.N. Development Program's Digital Opportunity Initiative, which just released its final report, is received.

I commend AFCOM for bringing together the leaders who are grappling with similar issues, so we can exchange experiences, discuss what works and what doesn't, and find practical solutions to concrete problems. We in the United States must play our part to ensure that our success in the use of recent advances in information and communications technology is shared in realistic ways with the world's less fortunate. We must work hard to ensure that the benefits of this information revolution leave no one untouched. This is a challenge to all policymakers in the industrialized as well as the developing world. We know that the problem is not technology, it is the opportunity.

Let others make slogans, we have a full agenda of work on "Digital Development."

Thank you very much.