

**Remarks of Kevin J. Martin
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U.S. Federal Communications Commission
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“Seizing Digital Opportunities”

Mr. Chairman, Excellencies, Distinguished Colleagues, Ladies and Gentlemen – it is a great privilege for me to represent the United States at this Special Session. Let me first thank our host, the Government of Turkey, for the gracious hospitality we have received in Istanbul. I would also like to give a special thanks to Mr. Hamadoun Toure, the Director of the Development Bureau, for his leadership on digital technology issues and for inviting me to speak today. I first came to know the excellent work of Mr. Toure when I was representing the United States on the G-8 DOT Force. I have remained impressed with his enthusiasm for finding real solutions to tackle digital issues.

At this World Telecommunication Development Conference, we focus on telecommunication development during a period of unprecedented worldwide focus on development more broadly. We recognize that we have made progress, but that more works needs to be done. For example, just last week President Bush announced a major new initiative for global development with an increase in US development assistance of \$5 billion over the next three budget years and defined by new accountability for developed and developing countries. And this week, more than fifty heads of state – including my own – are meeting in Mexico at the United Nation’s Financing for Development Conference.

Technological development including telecommunications forms a critical part of broader development efforts. Indeed, it is the potential of ICT to improve the education, health and economics of the world’s citizens that makes telecommunication development such a priority. This gathering of policymakers from around the world affords us all a unique opportunity to continue the quest to bring our citizens the opportunities that the digital revolution provides. I recognize that one of the fundamental reasons for this Conference is to address the very theme we are focusing on today. Through our collective efforts, both developing and developed country alike, we will make progress on this issue.

We all know that the digital distance that separates many developing countries from the developed world is a problem – and I do not want to minimize the challenges that developing countries face. As American author Richard Bach has wisely written, though, “every problem has a gift for you in its hands.” The gift at hand is the new digital technology that holds so much promise for addressing challenges throughout the developing world as well as in developed countries like mine. So today I’m not going to focus on the “Divide” itself but rather on the “Opportunities” before us. The “Opportunities” to which I’m referring are those that allow the benefits of information technology to flow to all people.

As an independent regulator in my country, I am working to ensure that all Americans have an opportunity to gain benefits from new digital technologies. We are making great strides across all demographic groups and geographic regions. In the last few years, Internet usage in the United States has grown significantly. Now more than half of the country is online, and the rate of growth is 2 million new users per month. This afternoon, I want to outline a few universal themes that I have distilled from our experiences at home.

1. Good Governance Matters

Telecommunication development requires good governance. As a regulator, I believe that we need to work to ensure that the telecom market is attractive to capital investment. This can best be accomplished by creating a stable, reliable and speedy regulatory environment. We need to remove what I refer to as “regulatory underbrush” – which are any unnecessarily burdensome regulations that impede development. Good governance means governing only to the extent necessary.

Good governance also dictates that telecommunication regulators keep vigilant in ensuring public and investor confidence in their decisionmaking process. Trust can only be gained when the process is transparent, and when there are opportunities for public participation. And trust can only be maintained if everyone, industry and consumers, believe that these policies will be enforced. Industry and consumers must be able to see how decisions are reached and that they will be enforced if serious investment is to take place.

2. Let the Private Sector Lead

Regulators are necessary to ensure an environment that will promote private sector investment to the benefit of our citizens. We must be careful, however, not to go too far with regulation. Unnecessarily burdensome regulations will only get in the way of deployment of infrastructure. It is the private sector – as represented through the Sector Members of the ITU – that has the agility and expertise to create telecom development solutions. We can make no progress on telecommunication development in any country without engaging in a partnership with private industry.

The more private sector interest we can generate in our markets, the more services will be available to our consumers and at prices they can afford. Competition, small and large, is the best mechanism for encouraging infrastructure buildout and achieving universal access. Lots of small steps made as a result of private sector initiatives can take us farther than any giant leap that a government tries to do on its own. Moreover, reliance on the private sector is the most realistic and practical way to bring digital technologies to people.

3. Use the Expertise of the ITU

Bringing digital opportunities to people around the world requires a team effort, and the ITU is an integral part of that team. The U.S. Contribution to this Development Conference commends the ITU, particularly the Development Sector, for its successful

efforts at fostering sound telecom policy and regulatory reform. In 1994 at the time of the first World Telecommunication Development Conference, there were only 33 regulatory agencies worldwide. At last count, we now have 112 telecommunication regulatory agencies. My own agency has been around since 1934. It's nice to have so many regulators with new and creative ideas from whom to learn and with whom to share experiences.

Over the past decade, the ITU has worked at institution-building and at gaining global acceptance that telecom policies must foster competition and provide transparency. Because of its success, the U.S. believes the ITU should now focus on the implementation of these widely accepted national telecom policies and accompanying regulations for the purpose of increasing telecom infrastructure in developing countries. To achieve this objective, the involvement of Sector Members is fundamental.

4. Invest in Ourselves

Making digital opportunities available to people is a global responsibility that each of us share. The ITU and its Development Sector can help us achieve global connectivity by facilitating information exchange among regulators and supplying much-needed education and training. The ITU is ideally placed to help member countries as we reach for the digital opportunities before us. This will require a renewed commitment by us all to human resource training and development. People are our greatest asset. When given the proper tools, they can seize the opportunities of the global economy, taking advantage of telecommunications and information services to contribute to greater economic activity, higher productivity and general welfare.

We must not, however, lose sight of the simple fact that digital opportunities can only be made available to people to the extent that an individual country allows it. As national regulators and policymakers, each of us is entrusted by our national governments to work to the benefit of our citizens.

We must all invest in ourselves. Individual responsibility is critically important to delivering the promise of digital technologies. This does not mean, however, that a country must go it alone. The United States has been invested in the work of the ITU's Development Sector since its inception at the 1992 Additional Plenipotentiary Conference, and we will continue to work with our colleagues from around the world. The FCC is also committed to increasing access to communication technologies by sharing our regulatory experiences. Last year, our efforts touched more than sixty countries from the developing world. We must not forget, however, that neither the ITU nor any member country can make another sovereign country's market conducive to the type of private sector investment required for infrastructure development. Infrastructure development needs capital, and capital markets require a regulatory environment that provides certainty and transparency. Infrastructure development is a prerequisite to creating digital opportunities, and requires appropriate reinvestment of telecom revenues for buildout.

Digital opportunities are being seized by developing countries already. Mobile and Internet services have increased at an astonishing rate in many parts of the developing

world. These services bring greater, faster and more affordable access to telecommunications. The progress is the direct result of decisions made by leaders in developing countries to establish pro-competitive regulatory frameworks, and those members of the private sector who have risen to the challenge. Let me congratulate you on the progress achieved so far. I encourage you to play an even greater role in future successes, but emphasize that none of us can afford to rest. We all have more to do.

5. Let's Seize Digital Opportunities

This World Telecommunication Development Conference provides us with a unique opportunity. Rarely do so many telecom regulators and other policymakers come together at one time and in one place. History teaches us that Istanbul is the place where the worlds of the East and the West come together. Let us all come together here to dedicate ourselves to seizing the digital opportunities at hand to meet the needs of our citizens and extend the benefits of the information age to all.