**REMARKS OF**
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Mr. Chairman, thank you for your kind introduction.  Mr. Secretary-General, Excellencies, Ladies and Gentlemen, I am so pleased to participate in this OECD discussion.  Let me first thank the organization for the leadership it provides to foster creative dialogue on so many critical issues.  Member countries—certainly mine—look to the OECD for dependable research to help us understand emerging issues and then for help in developing policy options to address them.

I also want to thank Minister Stanca for his welcome and hospitality as we meet in the magnificent city of Rome.  I can't think of a more appropriate place to hold this conference, because this city's formative role in shaping our culture and values reminds us that no matter how sweeping and difficult the changes reshaping our world may be, we are constantly challenged to preserve some rather timeless values. Rome gives us perspective.

We *do* have common and ongoing objectives.  All of us share the struggle to narrow the digital divide. We share the objective of bringing the best and most cost-effective communications technologies to all of our citizens. We share the desire to encourage telecom investment. We want to protect consumers against fraud and other unscrupulous practices. And we share the need to stimulate innovation and growth through effective policies and, very importantly, through enhanced public sector-private sector cooperation.  I have long been an advocate of sustained public-private dialogue, and I am indeed pleased to see the active participation here today of not only government officials, but also leaders from business and industry, from academe and the creative community, from labor and consumer groups.  We look to them all as we tackle the challenges of the digital revolution.

To achieve common goals, we need to discuss openly and honestly our individual successes and our shortcomings.  Each of our nations has successes to share.  Each of us has some failures.  None of us is in a position to preach to others.  No one among us has yet created a smooth road through the digital transition.  No one has developed a wholly satisfactory strategy for dealing with the challenges of technological and business convergence.  No one has divined how to regulate and deregulate in this complex converged world.  No one has got consumer protection down to a workable science.  So we should always go into discussions like this with a healthy sense of humility, realizing how far we still have to go, and with enough candor to cite our own shortcomings as we discuss what we should or should not be doing.

I see communications as the driver of global progress in this new century.  That is because nothing else is changing the world so profoundly and so quickly.  Already we have seen dramatic changes, it's true, but if there is one thing I *am* certain about in this

uncertain world, it is that all the dramatic changes we have already witnessed in communications—and they *have* been dramatic—will pale in comparison with what is coming down the road toward us.  We will work differently, play differently, care for ourselves differently, educate ourselves differently, govern ourselves differently, perhaps even practice our religions differently, all because of the transformative power of communications.

How can we prepare for this new world that we can't even begin to predict?  How do present-day legal and regulatory frameworks apply and how can we enable them to keep pace with the impact of disruptive technologies?   How do regulators make good decisions in this new speed-of-light world?  How do we ensure continued innovation, entrepreneurship and investment?  How do we create sufficient regulatory stability so that businesses can make right decisions about the future?  And, most importantly, how do our actions benefit consumers?   As *The Economist* put it just last week, we have been living in the digital equivalent of the silent-film era.  Now we must learn to inhabit the new, large screen, multi-dimensional, surround-sound, seemingly limitless world of digital and to create an environment where its great potential bounty can be harvested by all our citizens.

This is a good venue to reaffirm the critical role that enterprise plays in innovation and investment.  Relying on the market to accelerate broadband deployment seems generally to work.  It is beginning now to bring us competition not only *within* delivery platforms, but also *among* delivery platforms.  Not so long ago, if you knew the platform over which you were receiving content, you knew exactly what you were getting.  No more.  In my country and others, companies using different platforms are beginning to compete by offering consumers bundles of telephone, video and Internet services.  This convergence of industries, services and markets is unleashing an unprecedented investment in 21$^{st}$ century communications infrastructure.  A driving force here is surely competition as companies rush to deploy advanced technologies in response to offerings from other broadband providers.

The role of government in this environment is not to pick winners and losers. Government is poorly equipped for that job.  Indeed, different broadband access technologies work better in different locations and circumstances.  Government is usually better equipped to ensure the elimination of barriers to competition than it is to predict what new technologies, services, content menus or business plans will develop five or ten years hence.  And government is always challenged to regulate with sufficient clarity, transparency and predictability so that business is not asked to operate with a question mark.  Part of government's job is to implement policies so that multiple broadband platforms can develop—again, without picking winners and losers.  To this end, we are identifying additional spectrum for broadband.  We are also encouraging new technologies, such as broadband over power lines, and innovative wireless services— both licensed and unlicensed.  If we are successful in our efforts, consumers will have the opportunity to choose the technologies and services that best meet their individual needs. One thing is clear—when consumers have more options through competition, they reap the benefits—better services, greater innovation and lower prices.

Going beyond the elimination of barriers, there may be other roles for the public sector in this partnership. Today in my country there is increasing focus on protecting the dynamic character of the Internet. We view the Internet as a place of openness and accessibility where people can express themselves freely, where innovation and entrepreneurship can thrive and where new worlds are available to all consumers. We must preserve this vibrant and free-wheeling and opportunity-creating Internet. It's an important issue that we need to be considering—within our countries, across our borders and with all of our stakeholders. The value the Internet can confer—the content and applications that it makes accessible—depend upon it.

Our focus today is on content and rightly so because digital content, as the OECD states, will become the basic creative infrastructure underpinning the new economy. But, of course, the way content is distributed, by whom, and on what underlying infrastructure will have much to do with how transformative digital content is really going to be. How liberating digital content will be depends to a large extent on the infrastructure transporting it. I'm sure you will be talking about that in Rome this week.

A second role for government may be to ensure that advanced technologies are reaching all communities and all of our citizens—including, among others, those in rural or remote areas, those with disabilities, and those with limited incomes. Today, having access to advanced communications and the digital content that comes with it is perhaps more important than access to basic telephone service was not so many years ago. Broadband is the education and information and commerce and jobs of the future, and our challenge is to make sure that everyone has access to it.

In the United States, our Federal Communications Commission has an important role to encourage the deployment of advanced telecommunications to all Americans. One important program for achieving this goal is our universal service system. This program has done much to bring basic telecommunications to hard-to-reach areas and under-served populations. Going forward we must determine how our universal service program needs to be adjusted to facilitate the nation's transition to digital. One part of our universal service program that I want briefly to mention is known as the E-Rate. The E-Rate provides discounts to schools and libraries for Internet connections and telecom services. We target greater discounts to those needing them the most—in economically disadvantaged and rural areas. We also allow each institution to select the services its particular community needs to ensure the most effective use of the funds and to work with the private sector to make it happen. I mention the E-rate here because it does more than provide digital tools for education. Schools and libraries are a critical part of community and economic development. They can serve as anchor tenants to attract new services and promote additional deployment. And they can join with others in the community to aggregate demand so that companies are encouraged to upgrade facilities. I am convinced that there are many more opportunities for this kind of program and this kind of cooperative effort, involving the various levels of government working closely in tandem with each other and with the private sector, to address the larger challenges of

broadband deployment.  In my country we are seeing numerous cities, towns and communities discussing initiatives to deploy broadband for their own citizens.  One thing is for certain: a viable national strategy for broadband deployment and penetration is a huge undertaking.  There is plenty of room for cooperation and working together.

Sometimes it is easy to feel intimidated by the immensity of the challenges we face.  Converging industries, business plans exiting stage left as new ones struggle to debut from stage right, new technologies and services competing for investment backing, traditional models of governance struggling to reinvent themselves for a real-time world—one wonders how it will ever get done.  And of course it never will be *done* because global change will only accelerate and present new challenges every day.  The challenge is not putting some new business or legislative or regulatory "system" in place. It is not to accommodate change that has already taken place.  It is rather to develop processes to welcome change, to facilitate change and to make change work for every citizen on the planet.  We look to the OECD—to its creativity, to its great expertise, to its public-private sector dialogue and cooperation—to help lead us there.  The best infrastructure development occurs when the private and public sectors and all of our stakeholders find creative ways to work together.  I believe that is how we will ensure that the Digital Revolution of our time leaves no one behind.

Thank you.