



Global Forum 2010 Press Release

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MORE 'NET USE, FROM DIFFERENT STARTING POINTS, URGED FOR DEVELOPING, DEVELOPED COUNTRIES

While countries with strong broadband penetration may be looking for ways to make broadband applications more of an "everyday" experience, many people in developing countries still need to develop online experience, according to panelists at a forum on information and communications technology (ICT) today.

Speaking a session on collaborative government at the Global Forum in Washington, whose theme this year is "ICT for an Empowered Society," Jeremy Millard, senior consultant at the Danish Technological Institute, said that the next step in Denmark is to move to "everyday e-government," rather than e-government that people use only two or three times a year. Initial d-government applications, such as paying taxes or submitting license applications, make government's job easier for government, but don't address the everyday needs of citizens, he said.

Samia Melhem, senior operations officer in the Global ICT Department at the World Bank Group, said that in many developing countries, there is "no tradition of writing on the Internet." In such an environment, "our biggest asset is the educated youth in these countries," she said.

Ms. Melhem also said there is a "myth out there ... that government ... can do this by themselves." She said that when she visits e-government efforts, "I see one or two tired IT guys - rarely women - and they are saying, 'Please, tell them to outsource."

In response to an audience request to react to the idea put forth by Finland last year that all citizens should have a right to broadband connectivity (TRDaily, Nov. 5, 2009), Ms. Melhem said, "As more and more life-saving services are delivered over broadband, how can you deny that?"

During a session on broadband investment, Rural Utilities Service Administrator Jonathan Adelstein said that his agency was able to leverage loans to "stretch" \$2.5 billion in budget authority for the Broadband Initiatives Program into \$3.5 billion in loans and grants. He emphasized the importance of broadband connections to rural areas, saying that businesses won't locate where there is no broadband service and "young people won't stay" where there is no broadband, adding that "the biggest problem for rural areas is outmigration."

Michael Bartholomew, director of the European Telecommunications Network Operators Association (ETNO), said he sees "a strong convergence of both the U.S. national broadband plan and Europe's digital agenda," adding that he "would like to see a transatlantic digital plan." He noted that the European Union's digital agenda goals call for all European households to have access to 30 megabits per second connections by 2020 and for 50% of households to subscribe to 100 Mbps service by that date.

Thierry Zylberberg, executive vice president-strategic partnerships and general manager of the health line of business at France Telecom, said, that "all sorts of [e-Health] applications don't require broadband. However, some of them will need broadband. Where you want to transfer medical images, you need broadband," he said, as well as for teleconsultation.

During an afternoon keynote session, Jean-François Junger, who heads the ICT Sector for government and public services (DG INFSO & Media) at the European Commission, said that the political priorities of the European digital agenda are user empowerment, which includes user-driven services and transparency; a single European market; and efficiency and effectiveness,

Asked whether the U.S. would be moving to online voting anytime soon, Tom Wilkey, executive director of the U.S. Election Assistance Commission, said, "We are taking a very cautious approach to





e-voting." He added that the ECA is working with the National Institute of Standards and Technology and "hope we will be able at least to provide states and localities some best practices, standards, and technologies" for online voting. "If there's anything that will drive [online voting], it will be our zeal to accommodate our overseas voters," he said.

The forum was hosted by Paris-based consulting firm Items International, the Fondation Sophia Antipolis of France, and the George Washington University. - Lynn Stanton, lynn.stanton@wolterskluwer.com

INDUSTRY-GOVERNMENT COLLABORATION VIEWED AS NECESSARY TO ICT ADVANCES

Panelists at a forum on information and communications technology (ICT) today argued for industry and government collaboration to move forward "next-generation" ICT, while generally agreeing that there is no single "magic bullet" that will work in all situations.

Speaking during the keynote opening session this morning at the Global Forum, whose theme this year is "ICT for an Empowered Society," Jose Fernandez, assistant secretary for economic, energy, and business affairs, at the U.S. State Department, said that "cooperation and dialogue on this issue is unavoidable."

Kathy Brown, senior vice president-public policy development and corporate responsibility at Verizon Communications, Inc., agreed that there needs to be collaboration. "Government cannot make decisions without industry; industry cannot exclude government."

Gabrielle Gauthey, executive VP-global government and public affairs at Alcatel-Lucent, said, "A new law is not needed. What is needed is to work together in envisaging ... what is reasonable network management [and] what is reasonable transparency."

Responding to a question about encouraging broadband adoption, FCC Chief of Staff Edward Lazarus said, "I don't think the adoption problem can be tackled by government alone." Rather, he said, industry and government "have to work together."

However, the approach will have to vary from one country to another, according to Federal Trade Commission Chairman Jon Leibowitz. There's "no magic bullet" for governments to use in addressing ICT issues, despite globalization he said, adding that "different nations have different regimes." Canadian Radio-Television and Telecommunications Commission Chairman Konrad Von Finckenstein, agreed that there is "no magic bullet."

Speaking about cloud computing and Japan's "smart cloud strategy," Yasuhiko Taniwaki, director of the ICT Strategy Policy Division in Japan's Global ICT Strategy Bureau, said that it's important to have ways "to share the best practices of each country." However, he said that it's "too early for standardization" on smart cloud technology, but he called for avoiding "excessive 'lock-in'" to a particular approach.

Mr. Leibowitz said that the FTC is taking a "two-pronged approach" to privacy and Internet fraud, to ensure that people feel secure when using the Internet. One prong is enforcement, and the other is the policy function that the FTC has started using "more in the last 10 years," he said, although he emphasized that the agency has had a policy-setting function since its establishment. He noted that the FTC hopes to issue its pending report on privacy "probably before the end of the year."

As for some of the things the FTC has seen in developing the report, he said, "Our sense is that privacy policies have become way too long." He also said that the FCC wants to encourage "privacy by design." He added that companies "shouldn't collect information they don't need" and shouldn't retain information after they no longer need it. "We also want to see more transparency and consumer choice," he said.

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Government Input Critical for ICT, Forum Told

The urgency to solve privacy and security problems, the rise of mobile broadband use that leads to capacity crunches, and the emergence of digital media all call for the government to step up its efforts to better protect consumers, encourage investment and ensure the diversity of content, officials said at the Global Forum at George Washington University Monday.

Enforcement and policy are two approaches by the FTC to address privacy and security issues, Chairman Jon Leibowitz said. The consumers really don't understand the privacy implications and current privacy notices for the most part don't really solve the problem, he said. The commission will release a report by the end of the year outlining recommendations to offer clearer notice on data-collection practices and offer meaningful privacy safeguards, he said. Despite good practices by some companies, implementation of privacy practices has been too slow, he said. Right now it's hard to conclude that self-regulation is working well, he said. The industry should know that the Congress will step in if the industry can't protect privacy more robustly, he said, calling privacy and security a bipartisan issue. The FTC doesn't have rulemaking authority over the issue, he said. Another focus at the FTC is having international privacy dialogues with governments and groups around the world to ensure privacy protection benefits consumers across borders, he said.

The FCC is looking at government inputs like spectrum allocation and a Universal Service Fund revamp that are of great significance, said Eddie Lazarus, FCC chief of staff. The government also has a role in tacking economic issues of adoption, he said. The government itself is also an important player in the IT space, he said.

The agency also seeks to work with other countries on Internet censorship, cybersecurity and privacy issues, he said. These problems won't solve themselves, he said. Making more spectrum available is critical for the future of mobile broadband, said Tom Sugrue a vice president with T-Mobile USA.

With stimulus funds awarded, the Rural Utilities Service will continue to use its existing telecom and broadband loan programs to finance more broadband projects, said RUS Administrator Jonathan Adelstein. It's not just about building the infrastructure, it's also about building the business model, he said. Jose Fernandez, assistant secretary for Economic, Energy and Business Affairs with the Department of State, urged governments around the world to promote innovation and development in the information and communications and technology (ICT) sector, advancing IT policy, protecting free flow of information and providing ICT support for other sectors. Digital technologies have caused and continue to cause major shifts in audience expectations and demands in Canada, said Konrad Von Finckenstein, chairman of the Canadian Radio TV and Telecom Commission. The fragmentation of traditional audiences and the challenge of new technologies have driven the industry into a wave of corporate consolidation, he said. Such consolidation means companies that own cable, satellite and Internet services.

even wireless networks, now also have control over content, he said. It's critical to maintain a diversity of voices in the broadcasting system, he said.

Gabrielle Gauthey, an executive vice president at Alcatel-Lucent, urged public authorities to regulate telecom infrastructure sharing models to lower market entry barriers. Public authorities should also organize new competition models and foster competition and coverage, she said. The "explosion" of mobile data makes a new round of investment in networks absolutely necessary, she said. The rapid shift in consumer behavior toward data consumption is leading to network capacity crunch, she said.





Privacy and security is a growing concern in Europe and there's not a consistent approach on data privacy, she said. Stakeholders around the world should work together on how to create better network resilience, she said.

In Japan, infrastructure coverage is moving ahead while the service lags behind, said Yasuhiko Taniwaki, a director with Global ICT Strategy Bureau in Japan. Tackling the gap between adoption rates and availability is a major task, he said. The Japanese government is encouraging cloud computing technology,

he said. — Yu-Ting Wang

<u>NETWORKWORLD</u>

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Global Forum 2010 spotlights trends in "Open Innovation" and Broadband Economic Development

By Jay Gillette, Special to Network World, Network World November 12, 2010

With a theme of advancing economic development worldwide, the 19th annual Global Forum met this week in the U.S. for the first time since 2002.

Called "the Davos of IT," Global Forum's annual themes often track world trends in the information and communication industries. Attracting invited participants from 28 countries, this year's talks focused on the theme, "ICT for an Empowered Society: A Smart and Innovative World."

Japan, for example is pursuing a "Smart Cloud" development strategy. It takes as given that there is a foundation of advanced infrastructure, and is now targeting applications with greater user participation and market uptake.

Yasuhiko Taniwaki, of Japan's Global ICT Strategy Bureau, notes that by next March, Japan will have 90% penetration in fiber-to-the-home, and 98% of subscribers will have 3G mobile devices. "So we have the broadband infrastructure," he said, and the challenge now is to increase uptake from the current 60% use of broadband services, when in fact Japan effectively has 100% availability.

In contrast, the United States is still working on a national broadband policy. Former FCC Commissioner Jonathan Adelstein, now Administrator of the U.S. Department of Agriculture's Rural Utilities Services (RUS) program, used the conference to reinforce his agency's Nov. 9 announcement that it will partner with the FCC's continuing development of the national broadband plan. The RUS program will add value by its long experience and database of information on rural communications deployment, he said.

Numerous questions arose in the conference about the FCC's way forward in policy, after the midterm elections. FCC representatives, including Chairman Julius Genachowski, said policy initiatives already announced will continue.

Potential conflicts on <u>network neutrality</u> or spectrum reallocation were not emphasized, so those issues continue to loom unresolved in the United States policy arena.

Europeans, however, are incorporating communications policy as part of advancing the region's development. A new "Europe2020" economic initiative counts information and communication technology as one of its seven pillars of support. In May, the European Commission released its "Digital Agenda for Europe," with the vision "Every European Digital."





The "Digital Agenda" includes a heavy emphasis on research and development investment. Europe lags in information and communications R&D at 17% of total ICT spend, compared with the United States at 29% of ICT spend. Government innovation and support for R&D need new investment, and new intellectual premises, the Europeans argue.

Francisco García Morán, of the European Directorate General for Informatics, introduced his organization's new initiative on "Interoperability Solutions for Public Adminstration." Funded at 164 million euros for the next five years, its purpose is to coordinate eGovernment framework, policies and law, services, and generic tools across the EU's 27 member countries.

Europe now leads the world with six of the top 10 eGovernment countries. The "Digital Agenda" seeks to develop eGovernment actions support the EU's policy of allowing any European to be an entrepreneur, to work, to study, to retire, in any European country.

Concerns about shortcomings in R&D have also led the Global Forum to focus on new approaches and intellectual ideas for innovation. The largest session in the conference was titled "Open Innovation: Strategies and Policies," with 13 speakers.

Following the approach of California-Berkeley professor Henry Chesbrough, Europe's Open Innovation

Strategy and Policy Group identified five key elements in the new innovation process:

- 1. Networking
- 2. Collaboration involving partners, competitors, universities, and users
- 3. Corporate entrepreneurship, corporate venturing, start-ups and spin-offs
- 4. Proactive intellectual property management: to buy and sell intellectual property and so create markets for technology
- 5. Research and development (R&D): for competitive advantage on the marketplace However, session chair Bror Salmelin, of the European Commission, said the open innovation movement needed to advance beyond the Chesbrough foundations:

"We would like strongly to communicate a more modern view on open innovation. We need to go far beyond, towards crowdsourcing, co-creativity and collaborative open innovation ecosystems," Salmelin declared.

In that spirit, for the first time ever, the Global Forum introduced a new session emphasizing female technology engagement called "Global Network for Empowering Women's Innovation and Entrepreneurship."

Its keynote speaker was the U.S. State Department Ambassador-at-Large for Global Women's Issues, Melanne Verveer.

She was followed by a panel of 11 women leaders from public organizations and international companies, including Verizon, Microsoft, HP, the U.S. General Services Administration (GSA), the FCC, AT&T, among others. Session moderator was attorney Thaima Samman, president of the European Network for Women in Leadership.

Verveer cited research that in developing regions, a woman is 21% less likely than a man to own a phone. Women are two-thirds of the untapped market in mobile telephony. Now mobile equipment operators are working to cut in half the ownership gap.

This initiative is encouraged and assisted as appropriate by USAID and the U.S. State Department. The State Department has also launched "Tech Women", an international program bringing female technical professionals to the U.S. for business-to-business internships.

Encouraging girls early to go into technical careers was seen as critical. This is the "pipeline behind the pipeline" for technical talent, as the panelists termed it.

Linda Zecher of Microsoft said the number of women majoring in computer science now has dropped about half. There are fewer girls taking science classes at lower education levels. Some reasons may





be that girls perceive teachers favor boys in science classes; girls don't see science as "cool"; some girls won't settle for grades lower than "A" for any class, so they avoid hard science classes. To counter the trends, Microsoft for example has a program called "DigiGirls," a mentoring program to help girls early in their educational experience to orient themselves toward technology careers.

The 2010 Global Forum conference was held at George Washington University. Sylviane Toporkoff, president of Global Forum, and a founding partner of sponsor ITEMS International, said the next Global Forum will be held in Asia or in Europe, with the city still to be announced, in fall 2011.

Gillette is professor of information and communication sciences at Ball State University, director of its Human Factors Institute, and a senior research fellow at the Digital Policy Institute. He can be reached at <u>igillette@bsu.edu</u>.

Read more about data center in Network World's Data Center section.

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Conference Update

Countries With High, Low Broadband Adoption Both Need to Boost 'Net Usage, Panelists Say

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Industry-Government Collaboration Urged

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Net Neutrality Urged for Cloud Computing

As the European Union pursues its digital agenda, making Europe "cloud-ready" will be one of the goals, and "cloud providers need net neutrality," according to an official from the European Commission.

Maria Tsakali, a scientific officer in the European Union's Information Society and Media Directorate-General, said that European Commissioner for Digital Agenda Neelie Kroes "agrees with the FCC" in its approach to network neutrality and has "added" two more network principles to those espoused by the FCC: "the ability of national regulators to ensure a minimum level of service" and "transparency measures to assure consumers get what they pay for."

Another panelist, **Reinhard Wieck**, managing director—U.S. for Deutsche Telekom, said that two areas in technology policy on which Europe "is a little bit ahead" of the U.S. are privacy and efficient use of spectrum. European regulators enforce policies against spectrum "warehousing" by forcing licensees that don't use their spectrum to give it back, he said.

Session moderator Andrew Lipman, a partner in the law firm of Bingham McCutchen LLP and head of the

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firm's telecom group, asked the panel to predict what would be discussed at a regulatory policy panel five years hence.

Brent Olson, assistant VP-public policy at AT&T, Inc., predicted that "more and more what you're going to see is the need for cross-border balancing and coordination" regarding which rules apply as users' networks are in one country and their data is in another.

Rick Whitt, Washington telecom and media counsel for Google, Inc., said that the increasingly important role of the Web "doesn't necessarily create new issues but casts new light on ones that have been out there."

Jean-Pierre Chamoux, a professor at the Université Paris Descartes, said that the tension between rapid change in technology and business and slow change by government "is the problem we always cope with in technology and telecommunications."

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