



PANEL DISCUSSION:
“Development through Enhanced Communications and Technology”

October 13, 2009

Ronald Reagan Building and International Trade Center
Washington, DC

Participants:

Moderator: Amb. David Gross, Partner, Wiley Rein

-Harsh Manglik, Vice Chairman, NASSCOM, & Chairman, Accenture India

-Hon. Maria del Rosario Guerra, Minister of Communications, Colombia

-Hon. Robert M. McDowell, Commissioner, Federal Communications Commission

-Christine Bliss, Assistant USTR for Services and Investment, Office of the U.S. Trade Representative

Rapporteur: Karen Johnson, Director, International Public Policy & Regulatory Affairs, Verizon

Three main themes emerged from the panel discussion: 1) the importance of ICT to development, 2) the importance of liberalization to development and 3) the importance of creating the right regulatory environment for growth.

The importance of ICT to development:

- ICT services are seen as the building blocks of a modern economy.
- World Bank statistics underscore the correlation between an increase in ICT, particularly wireless, to an increase in employment, economic growth and standard of living in developing countries: for every 10-percentage-point increase in the penetration of broadband services, there is an increase in economic growth of 1.3 percentage points.
- Efforts to increase the availability of ICT underscore the importance of ICT to development: e.g., in the U.S., the Federal Communications Commission’s National Broadband Plan proceeding; in Colombia, the government’s plans to connect every citizen to broadband by 2019; and in India, the goal to reach 200 million rural telecom connections at a penetration rate of 25 percent by 2012.

The importance of liberalization to development:

- Liberalization in core services, e.g., telecom, computer and related services, energy, distribution, and financial, is key to promoting growth and development.
- Other key principles include: 1) establishing a strong, independent regulatory body and legal framework; 2) promoting competition, technology neutrality and user rights protection; 3) promoting foreign investment; and 4) creating a predictable, clear and transparent regulatory framework.
- In India, government efforts to liberalize the ICT market have led to a phenomenal growth in the IT, IT-enabled services (ITES), and business process outsourcing (BPO) industries that are now

fundamental to the Indian economy. The fully liberalized ICT sector in Colombia has had the most growth in the Andean region.

The importance of creating the right regulatory environment for growth:

- Convergence in the ICT market has blurred traditional boundaries between services. Any regulation, if necessary, must be technology-neutral, prevent discrimination and anti-competitive behavior and policies, and promote competition and innovation. Regulations must not impose high capitalization requirements, place artificial limits on the number of suppliers, require the use of indigenous technologies, or limit the amount of available spectrum.
- In the U.S., FCC staff concluded that, depending on the desired level of ubiquity, it would cost between US\$20 billion and \$350 billion to build out a national broadband network. Between US\$70-\$80 billion is expected to be invested in the U.S. broadband market this year alone. There is a concern that broadband regulation or even the threat of regulation, including net neutrality regulation, would inhibit further investment in the telecom sector.
- In India, where over half the population is under 25, 70% of the population lives in rural areas, and adult literacy stands at 68%, it is key that the government develop regulatory policies that promote competition and innovation in order to leverage innovative new models of technology to address the educational, health care, public and financial services needs of its population.