

Appendix 1

Remarks of William E. Kennard Chairman, Federal Communications Commission at the AFCOM '99 Conference Arlington, VA June 2, 1999

(As prepared for delivery)

All of us come from nations with long and rich histories. All of us have come to our positions from different paths. If I may, I'd like to share a bit of my own personal history.

I decided to become involved in telecommunications because of my father, but he was not involved in this field. From the time my father was a little boy, he dreamed of designing buildings. He was a soldier in World War II and, thanks to a government program for war veterans called the GI Bill, he had the opportunity to go to college, and he became an architect.

He was fortunate to be able to fulfill his lifelong dream of designing buildings. He loved to design the buildings that bring communities together, especially buildings in poor African American communities.

He designed housing projects and community centers, and churches and hospitals. He loved this work. He loved it because it allowed him to build the institutions that are at the heart of any community.

And he always believed that one's work should be woven into the fabric of building communities that include people of all nationalities, religions and colors -- and that promote values that enrich us as a nation.

In a very real sense, like my father, we too are architects, designing and building a grand international community, because fundamentally we are involved in bringing people together; connecting people with one another.

Together we can continue drafting the blueprint for this grand, global vision in which opportunity is given to all in service of the highest virtues of our own national -- and even world -- communities.

From the time that my father began his architecture practice after World War II until very recently, my country has been focused on building this international community -- whether it was the Marshall Plan in Western Europe, trade with Korea and Japan, or the Alliance for Progress in Latin America.

We realized that in the industrial 20th century, the well-being of families here in the United States depended in large part on what happened thousands of miles from our shores.



As Franklin Roosevelt told a crowd in Chicago over 60 years ago, "There is a solidarity, an interdependence about the modern world, both technically and morally."

If this was the case in 1937, it is even more so in 1999. No country – not the United States nor any other -- can hope to prosper in the Information Age by shutting itself off from the world, by hoarding technological know-how, by thinking that its concerns end at its shores.

Now, as we leave the 20th century -- as we cross the digital frontier and venture deeper and deeper into the Information Age -- we in my country see that our global commitment must be redoubled. And that it not be focused just on the sites of yesterday's wars, but focused on the sites of tomorrow's promise.

In a world where letters circumnavigate the globe in the time it took Christopher Columbus just to sharpen his quill, we can ill afford to leave any nation behind. In a world where resources and markets know no boundaries, it would be unfair for all of us to leave any country on the outside looking into these new networks of information and opportunity.

That's why a little over four years ago in Buenos Aires, Vice President Gore laid out his vision for a Global Information Infrastructure built on private investment, competition, a flexible regulatory environment, and open access that would link the nations of the world in a way that the trade routes of yesteryear never could.

That's why last year, President Clinton made his historic trip to Africa -- the first of any American President – so that he could – as he said, "see for myself what America can learn from Africa and how we can work with you as partners to build a better future for all our children." As an African-American -- as an American -- I could not have been prouder.

And that's why just two months ago at the State Department, the President, the Secretary of State, eight other Cabinet members, and four agency heads – including myself -- joined 83 ministers from 46 African nations in the first ever USA-Africa ministerial to draw up a blueprint for American-African relations in the 21st century.

I am confident that these are but only the first steps to sustained, strong relationship with the people of Africa, a relationship based on shared ideals and mutual respect, a relationship that can help strengthen both the United States and the countries of Africa. This is a relationship that I hope all of us can design and build together.

Looking out at all of you today, I think that we are all very fortunate. We are fortunate because whether we're government officials or industry leaders, we find ourselves not just at the beginning of a historic new phase in relations between the United States and Africa, but also in the middle of the most exciting, paradigm-shifting revolution of our lifetimes and perhaps of all time -- the revolution in telecommunications.

I travel throughout my country and see how wireless phones help communities feel safer, how Internet connections are helping educate our children, and how getting basic phone service to Native Americans on remote reservations changes their lives.



I know that you see this promise in your own countries -- how telecommunications opens doors of opportunity and windows of knowledge. And I too see it in your countries.

That's why I am proud to announce today the Chairman's Development Initiative -- a commitment by the FCC to work with developing nations to help them achieve the goals of the WTO Basic Telecom Services Agreement: the promotion of competition, the liberalization of markets, and the adoption of transparent, pro-competitive regulatory policies.

I hope to work with developing countries around the world that are moving toward regulatory reform and competitive telecom marketplaces and offer not only pro-competitive principles but the lessons that the FCC has learned in implementing them.

We hope to provide these nations with: technical assistance; expert guidance, training, and consultation on how to develop and implement pro-competitive, transparent regulatory regimes; and resources to support the full integration of developing nations into the Global Information Infrastructure.

For we cannot have a Global Information Infrastructure without an African Information Infrastructure, an Asian Information Infrastructure, a Caribbean, a South American, an Eastern European, and so on and so on.

Already, I am pleased to announce that the FCC staff has produced this book, "Connecting the Globe: A Guide to Building the Global Information Community." It is my hope that this handbook will serve as a resource for our friends.

And we are hard at work formulating work plans for partners in Eastern Europe, South America, the Caribbean, Asia, and Africa.

I hope to sign the first of these work plans later this year when I'll travel to South Africa. There, myself and representatives of the government being elected there today will outline the steps that the FCC can take to assist that country. On this trip, I also hope to convene a Southern Africa regional summit to discuss important regulatory issues with all the nations of Southern Africa.

Then, we'll turn our attention northward and begin working with Uganda and Ghana. From there, I hope to extend these efforts across the continent and across the developing world. I hope to keep our folks at the FCC plenty busy.

We're beginning the Chairman's Development Initiative in Africa for one simple reason: it has the most promise. There are 739 million people in Africa and only 14 million phone lines -- 80 percent of which are in six countries. Africa has 12 percent of the world's population, but only two percent of its phone lines.

In central and sub-Saharan Africa, there is less than one Internet host per 100,000 people. There are only about one million users of the Internet on the entire continent.



There is much to be done. But I don't need to tell you this because you've already begun to do it.

Teledensity has steadily climbed in several countries. In Ghana and the Cote D'Ivoire, the number of lines have nearly quadrupled since they embarked on telecom reform a few short years ago.

Nigeria, Mali, Madagascar, and the Central African Republic are following the leads of Ghana, the Cote D'Ivoire, Cape Verde, Guinea, and South Africa and privatizing their telecom industries in a way that will require specific infrastructure build-outs and service to rural areas.

Cellular phone service is available in more than 35 African countries, and nations such as Senegal, Gabon, and Chad are actively seeking to increase the number of cellular providers.

To date, sixteen countries in the region have taken the lead and have agreed through the ITU on the free flow of satellite phones.

Some of the world's most sophisticated national networks are in Botswana and Rwanda where 100 percent of their main lines are digital, compared to just less than 50 percent in the United States. And there has been tremendous growth in the number of Internet hosts. In 1993, there were only 43 hosts in all of Africa; in 1994, there were 27,000; and by 1998, there were 129,000. I believe that we can build on this growth. I believe that we can make Africa the "connected continent."

These developments are having a real effect on the lives of the people of Africa. Competition has drastically brought the price of a cell phone down in Uganda and Ghana.

In Kenya, doctors at rural clinics are able to use HealthNet to consult with experts in Nairobi and as far away as Boston, giving families in remote areas better healthcare.

And at a women's craft cooperative also in Kenya, they were able to go on the Internet and learn that they should be charging \$15, not \$1 for their crafts. They became better businesswomen because they had access to that most precious of resources: information.

Investing and trading with the developing world, is good for the people of Africa and good for the United States. Investments in Africa pay a rate of return higher than those in other regions.

And Africa is increasingly becoming an important export market for the US, a market on which 100,000 American jobs rely. Building this trade and investment is a win-win situation for both of us -- spurring investment and growth for all of our countries and all of our citizens.

See, I believe as Kwame Nkrumah did, that Africa is a rich continent. Writing in 1961 in his book *I Speak of Freedom*, this founding father of Ghana and inspiration to freedom-loving people all over the continent, noted that Africa had great natural and mineral wealth -- from diamonds to cocoa, from rubber to rubies. But the paradox, Nkrumah argued, was that Africa



was divided and thus had to live with what he called "the paradox of poverty in the midst of plenty."

Nkrumah believed that only through African political unity could the people of the continent have the power to harness this great wealth. Almost 40 years later, I believe that Africa is in a similar place.

Now, I don't think that the answer is one African state, but as we enter the 21st century, Africa is still rich with precious resources: people full of hard work and innovative ideas.

What we need to do is to link the continent together -- literally. To build communications networks that can connect the markets, businessmen, teachers, thinkers, doctors, students, and children of this great land together, to the rest of the developing world, and to entire community of nations.

We need to bring the technologies of tomorrow and the opportunities that lie in their wires and webpages to places like Ghana and Uganda -- as well as to countries like Thailand, Guatemala, Romania, and Peru.

That is my hope for this development initiative. That is the structure that I hope to build with you so that just as I can point with pride to the buildings that my father built, future generations in all our countries can point to the networks and communities that we all built in our own time.

That is our challenge, and I know that together we can meet it.

Thank you.