

**Written Testimony**  
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**FTC "Tech-ade" Panel: "Changing Technologies and Applications on the Internet"**

Looking back through the history of modern technology, one could easily argue that the Internet represents one of the most significant and empowering technological advances the world has ever seen. Those who have access to it rely on it to enhance their lives and livelihoods in profound ways. Those who don't desperately want the freedom it delivers to live richer, more rewarding lives. The freedom to choose – perhaps for the first time – the job they want, the healthcare they need, and the education their children receive.

There is no question that the Internet has changed the world in which we live. But what about the rest of the world?

It is confounding to hear analysts and other industry observers describe computing markets as mature. In the microprocessor market, for instance, the competitive dynamic between AMD and its competitor is often portrayed as if there is very little room for growth or expansion into new areas. But this assumption could not be more wrong.

To assume that the microprocessing market has reached its peak ignores the very likely advent of a host of new computing products and, furthermore, the billions of new people who will use these products in the near future.

The evolution of computing demonstrates that microprocessing power will migrate into more and more "smart" products – and these same devices that will facilitate the growth of the Internet. But it's really about the people. While the Internet and the technology that powers it is ubiquitous in our own lives, only 17 percent of the world's population has access to the Internet. Billions of people are not only being left behind, but completely left out.

What we must realize is that there is tremendous opportunity in these emerging markets. The emerging world now accounts for over half of the world's economic output. And that trend will only continue, as their combined growth continues at an average pace three times greater than the rest of the world.

In the next "tech-ade" a new class of consumers will jumpstart the world economy – a monumental shift in demographics that brings with it an equally monumental challenge for both technology and business leaders, as well as policy makers and regulators: How do we reach out to and empower this new class of consumers, arming them with the technological tools and knowledge they need to compete in an increasingly globalized world? Only those able to rise to this challenge will find success in the next "tech-ade."

At AMD, emerging markets already account for a significant portion of our business. We expect that figure to grow exponentially in the coming years, and we have invested a great deal in understanding this new class of consumers.

The most important lesson our work in emerging markets has taught us? Success requires an equal mix of good business strategy and good public policy – something we call a "geo-sensitive ecosystems approach." That's a long phrase to describe a simple idea: in order to be successful, business leaders and policy makers must work together to create a culture of openness and collaboration, where teamwork between governments, non-profits and even competitors empowers choice that lets consumers in these new markets pick the solutions that truly work for them, rather than trying to transplant developed world solutions to solve developing world problems.

At AMD, we are focused on fostering an open ecosystem that creates growth opportunities not just for AMD, but for the entire technology industry. Two years ago, AMD launched the "50x15 initiative," a bold and far-reaching effort to develop new technology and solutions that will help enable affordable Internet access and computing capability for 50 percent of the world's population by the year 2015, when the global population estimated to reach 7.2 billion people.

50x15 is about fostering long-term economic progress and investment within high-growth markets in ways that benefit a wide range of people and businesses. AMD and a growing network of partners are delivering innovative technology solutions that help empower people around the world to improve and change their lives.

Central to this effort has been the creation of a low-cost, low-power managed device called the Personal Internet Communicator, or PIC, which is already being used by students in Mexico, in government-sponsored kiosks around Brazil, by families in the Caribbean and India, college students and researchers in Russia, grade school students in South Africa, and last year, in the U.S., we deployed 400 PICs to assist Hurricane Katrina evacuees. Most recently, all that we learned through the PIC has been used to develop a new low-cost computing solution for emerging markets, the Ultra-Value PC, or UVC, which will launch early next year.

We cannot have a successful "tech-ade" without reaching this new class of consumers. And that will require innovation in the truest sense of the word – the sort of innovation that can only come from vigorous competition in the technology marketplace. This is where the global public-policy community has a critical role to play: Competition is what drives us to think outside of the box, pushing the limits of what we once thought was possible.

That is why it is so appropriate that the Federal Trade Commission be the sponsor of these discussions. For almost a century, you have crafted policies to protect consumers and competition. Because it is fair and open competition in a marketplace where products compete on their merits that will determine how greatly the Internet evolves in the next ten years.

That's not just an AMD perspective. It's central to the Internet itself – the greatest innovation engine of our times. It used to be three guys in a garage that symbolized the force of innovation – now it's three guys in a garage that is WiFi or fiber-enabled. And, if we are successful, that garage will be able to be located in more and more places around the world, spurring growth globally. That would be a world in which the "tech-ade" comes to symbolize the importance of Access, the importance of Growth, and the empowerment of Consumers.