An International Policy Perspective on the Information Age

Diana Lady Dougan—Ambassador

In recent years, much has been written of merging technologies in the information age. The fusion of computers and telephones, analog and digital, voice and data have enacted an explosion of technological opportunities and policy challenges.

While much has been made of the technologies, little has been made of the policies which guide the development and application internationally of these new technologies.

The breadth of the policy area is almost as complex as the technology it attempts to deal with. International communications and information policy encompasses the rules, procedures, and standards that govern literally everything that moves electronically. Voice, data, and video networks increasingly extend beyond national borders. They influence directly the freedom and speed with which information of all kinds flows among countries. U.S. relations with other nations—politically, economically, strategically, and culturally are now affected directly by telecommunications technology. Telecommunications policy will affect dramatically the future economic, strategic, and ideological strength of the United States. As such, it is becoming central to our foreign as well as domestic policy.

The telecommunications policy goals of the U.S. may be self-evident to most Americans, but to much of the rest of the world, they represent substantial threats to the status quo. Simply put, we in the United States are guided by our philosophical and constitutional commitment to a belief that the free flow of information among nations strengthens political liberties and democracy, and the conviction that free enterprise in an open and competitive market is the most productive and efficient means of fostering innovation and economic growth.

While many countries may believe in a flow of information beyond their borders, most countries view the control of information and its flow as a basic right and role of government for political and social reasons. At the same time, many countries which believe in a healthy degree of competition in many other trade areas can't get out from under their historical and economic attachment to government control of both common carrier and broadcast services.

There is no question, however, that change is in the offing. While many countries may believe in a flow of information beyond their borders, most countries view the control of information and its flow as a basic right and role of government for political and social reasons. At the same time, many countries which believe in a healthy degree of competition in many other trade areas can't get out from under their historical and economic attachment to government control of both common carrier and broadcast services.

The Problems of Competition Versus Monopoly

Traditionally, telecommunications has been considered a natural monopoly regardless of the prevailing economic system in a particular country. Although we may quickly forget, even the U.S. until recently took essentially a monopolistic view of basic telecommunications services, although we have long viewed other dimensions of communications fair game for competition.

Most countries, however, have operated on the premise that telecommunications monopolies should also be publicly-owned as a matter of fundamental political principle to safeguard the public interest. The need for new capital, the entrance of new customers and the development of new services have shaken this principal down to the roots. With its usual succinctness, the Economist put it well in its special survey on telecommunications last year in noting that: "chips and computers pronounced the death sentence of the natural monopoly. There is no question that the monopolies will have to go, but a lot of doubt as to how they ought to." In my view, the Economist prediction may be a bit too tidy.

The road to breaking down the monopolies is complicated by a number of interconnected issues. These issues range from disputes regarding the degree to which governments are committed to deregulating the "commanding heights" of their economies, including telecommunications, to definitional disputes regarding the point where competition will be permitted in the domestic network. Some policy makers may view these issues as straightforward trade issues which are designed to be nontariff barriers in the guise of domestic regulation. The reality is that telecommunications is increasingly swept up into the seas of broader political, economic, security, and cultural concerns which must be factored into reaching any kind of international solutions. The days of the "old Engineers Club" are sadly gone—if in fact they ever really existed.

Let's look first briefly at our own approach to the technological demise of the "natural monopoly." While we have espoused competition in most areas, it has only been in the last few years that we let the technological potential take hold and break open the competition potential in telecommunications. Indeed it took the courts to do what neither Congress nor the FCC could do on their own. Ironically the "Carterphone" case which many consider as the opening salvo for competition has long been forgotten. But the upshot has been an introduction of competition in a number of areas that were formerly dominated by a single company, AT&T. The emergence of competition has fueled the FCC's
A deregulatory agenda in many service areas. It has put flesh on the theoretical bones that the disciplines of the competitive market-place can replace government regulations as the most efficient and least intrusive protector of the public interest. A demonstrable result of the invigorated policy of competition and deregulation has been an unprecedented growth in new technology and service offerings.

Other countries have looked at our purposeful unraveling of "the best phone company in the world" with an initial combination of dismay and derision. But pressures for change have also started building abroad. In my view, a combination of technological opportunity, need for new capital, demands of customers and the growing multinational-joint venture nature of the telecommunications industry are the basic forces which are pressing at the windows of the PTT's in virtually every industrialized country. In the emerging nations there is also pressure for change but it is more a reflection of the need for foreign capital than an interest in new domestic markets and services.

The Reagan Administration has attempted to build on the forces for change to create a generally more liberalized and flexible international environment. We in the State Department have put particular emphasis on why flexible and more liberalized telecom policies can benefit all—not just U.S. companies. We have also worked at diffusing the misperceptions and "horror stories" being touted abroad about the presumed negative effects of our domestic deregulation. The FCC has some very impressive statistics on the economic growth of both the telecommunications and information service industries since divestiture of AT&T. Ultimately however, "enlightened self-interest" is what is forcing change. That self-interest must be dug out from under layers of long-held social and political considerations which in many countries have had equal if not superior standing in telecommunications policy decisions.

The U.S. is still the one country which has started out from the beginning with an emphasis on non-governmental control and ownership of virtually all our means of communications. As such, the driving forces in telecommunications have been economics and technology. The divestiture of AT&T not only highlighted these forces, but it also appeared to outsiders as almost totally dismissive of traditional social and political considerations. One of the most difficult challenges of U.S. policy makers has been to sort through the realities of the subsides long embedded in the AT&T system, which presumably met important but unsatisfied social goals. The well-publicized concerns of rising local phone costs for the poor and elderly have overshadowed any publicity about "life-line services" and other initiatives to accommodate these concerns.

The divestiture of AT&T further widened the apparent structural gap between the U.S. and most of the rest of the world. For years, AT&T had fulfilled much of the traditional role of a PTT. International standard setting, facilities planning and the general perception of "one-stop-shopping" at AT&T was suddenly out the window. One of the many results has been the increased foreign search for the U.S. government PTT or Ministry of Communications. One of the many congressional and industry pressures which led to establishing the statutory position of U.S. Coordinator for International Communications and Information Policy was the escalating need to provide a U.S. government focal point for not only coordinating U.S. policy interests but for foreign governments to deal with as well.

As I mentioned earlier, virtually all industrialized countries are in the process of some kind of change in their approach to telecommunications policy. The activities in some countries are well known in the U.S., but a quick sketch demonstrates considerable diversity in approach and timing.

One of the most publicized has been Japan. Little wonder, since it is the world's second largest telecommunications market, as well as the biggest electronic and telecommunications manufacturer. Even before the divestiture of AT&T, Japan recognized that the rapid technological process required a reassessment of regulatory policy. The Japanese cultural tradition of consensus-building not surprisingly resulted in a controlled approach to privatization and deregulation. NTT was turned into a government-owned corporation. It will review in five years whether it wants to go the next step of privatization with public stock. International trade pressures, primarily from the United States, were a major factor in convincing Japan to open its vast telecommunications market to outside competition and to permit foreign companies to participate in developing value-added networks. As a result of its own reforms, Japan once again demonstrated its success formula for taking advantage of technological advances while maintaining considerable protection for its domestic markets.

The United Kingdom reaction to the post-monopoly technology has perhaps been the most widely publicized. Pressures for reform of the UK's telecommunications policy were basically economic and consistent with the philosophy of a conservative government to privatize government functions. The objectives were to stimulate the growth of the electronics industry, to improve the national economy as a whole by stimulating greater freedom of choice in equipment and services, and to improve the performance of British Telecom (BT). Accordingly, the Thatcher government abolished British Telecom's statutory monopoly and authorized creation of Mercury as a competitive arm of the venerable Cable and Wireless. In the process the Thatcher government eliminated BT's monopoly over customer telephones, allowed private suppliers to offer value-added service on BT's network, and sold 51 percent of BT's stock on the open market. A new regulatory body, the Office of Telecommunications (OFTEL), was created to oversee the new system. Despite these comparatively bold steps in liberalizing the United Kingdom's telecommunications environment, the UK approach is largely one of "regulated competition". BT remains the dominant common carrier and will in practice retain monopoly over the local network through 1989, with Mercury being BT's only competitor in the long distance market. Although the UK describes its policy choices as "deregulation and liberalization", its duopoly approach represents a compromise between true marketplace competition and the former monopoly situation.

How far the UK is able to proceed with its controlled liberalization may be subject to political pressures. The opposition Labour Party has indicated that renationalization of BT and a merger with Mercury will be early priorities, should it win the next election.

France has announced plans to privatize and deregulate the major elements of its telecommunications regime with all "deliberate speed." The Chirac government realizes that the pace of technological development in telecommunications is not slowing for France and that France must adjust to world conditions and international telecommunications developments. Selling this principle is difficult given the entrenched power of French civil servants and their unions, who are resistant to change.

A first step in France's evolution toward a more liberalized environment was the passage of the Audiovisual Law in August 1986 that provides for the privatization of France's major television channel, TDF-1 and reduction of the state's control over the other two national networks. The major fea-
ture of the new law is the creation of the Commission National de la Communication et des Libertes (CNCL) which will have FCC-type powers to regulate the broadcasting and common carrier industries. This act recognized that the international competition in the new communications technologies requires a "capacity of adaptation that only an imaginative, flexible, and decentralized system can provide." The impetus for deregulation thus stems from a recognition by the Chirac Government that the French telecommunications industry can only acquire the "capacity of adaptation" through exposure to market forces, both home and abroad. Nineteen eighty seven is to be a transition period in France to get the CNCL policy operational and to provide the Chirac Government with time to prepare the next steps to deregulation.

The Chef du Cabinet of the Ministry of Post and Telecommunications, Marc Dandelo, has, however, summed up the zeal of the new French government by espousing the hope that their new "telecommunications liberalization approach" wouldn't infect others like a virus—especially our powerful neighbor beyond the Rhine. Meanwhile that "powerful neighbor beyond the Rhine" has not been totally napping. In April 1985 the Federal Republic of Germany appointed a special task force, the Witte Commission, to examine whether fundamental policy changes should be made to offer competition to the Bundespost's total monopoly on telecommunications services. This report is scheduled for release following the FRG elections in early 1987. Given the apparent vigor of the Kohl government, it could set the stage for the FRG joining the slow but steady evolution towards a more competitive telecommunications environment. However, even the most optimistic believe that changes will be primarily limited to the enhanced or "value added" service area. The basic network is still sacrosanct.

Changing the attitudes of the FRG will be difficult at best. The Bundespost is the single largest employer in Europe. It is enshrined in the German Constitution and it represents "mega-Mark" revenue for the German Treasury, as well as a comfortable subsidy source for the post office. The Bundespost contends that the constitutional commitment would not only require a two-thirds majority to alter, but they believe that only a monopoly approach can insure the required "equal" services to all citizens. But the West German business community has become more vocal in demanding a more liberalized environment to use existing technology in a more productive manner. The appeal for change is also being echoed by the FRG's Economic Ministry, which can vividly point to the withdrawal of several multinational companies from Germany in recent years as a large price for a non-competitive system.

The Netherlands has also made major shifts in its policy orientation in response to the needs of its user community and to enable the PTT to fulfill an entrepreneurial role in competition with other suppliers of communications services. While the PTT will retain its monopoly in operating the core telecommunications network, competition is being planned for the customer end and in providing value added services, and telecommunications have been separated from the heavily subsidized postal monopoly. The Dutch approach may be the prototype for other Europeans as well.

Spain has tabled draft legislation that would institutionalize the role of the Compania Telefónica Nacional de España as the monopoly supplier of core services but would permit some competition in value added services. Influential Spanish business organizations have complained that the draft law does not go far enough in introducing competition in the provision of such value added services as the storage, manipulation, and accessing of data, which should be left to the private sector. As in other countries, Spain is being subjected to the broader external and internal pressures confronting the telecommunications industry.

A hallmark of Italy's economic and political development is the ability to develop pragmatic solutions to difficult problems. The Italian approach to broadcasting was an instructive example of their occasional tendency to make sweeping change. Prior to the mid-1970s, Italy's broadcasting was dominated by the state-controlled network. But a series of court rulings favoring private radio/TV stations helped transform Italy into a virtually unregulated market with hundreds of small private broadcasters. It took several years for the dust to settle, but eventually an exceedingly competitive group of players emerged. The broadcasting example may be relevant in Italy's efforts to establish an appropriate policy to guide its common carrier services. The current government proposal would limit competition to a very few value added services, a situation that Italian business users find increasingly unacceptable. In the absence of clear guidelines, business users are developing networks to meet their specific needs, much as the private broadcasters did. Many observers are betting that these competitive offerings will be well established before the Italian government takes more formal action.

The policy reforms being considered within the individual countries of Western Europe have also sparked the interest of the European Economic Community (EC) to become a more active player in the international process. The EC views telecommunications and information processing as central elements for strengthening the economic viability of its twelve member states. In so doing, the EC has called for a greater liberalization of the European telecommunications market through increased competition and for more harmonization of the activities of its members in these sectors. We are watching closely developments at the EC with hope that its stated objective of liberalization will be sustained in future plans and programs. It would be indeed unfortunate and possibly at odds with the Community's trading partners, including the U.S., if future EC initiatives had the effect of limiting competition in the value added services and equally significant in the standard setting process.

If future EC initiatives had the effect of limiting competition in telecommunicators policy issues. In this context, it is not surprising that, as in the United States, the judicial system has become a major force in pushing for more liberalization of telecommunications. An example was a 1985 decision by the European Court of Justice that breached the traditional monopoly of the state-owned PTT's. In a case involving British Telecom, the European Court said the then state-owned BT had abused its dominant position by barring private message forwarding services below official prices through the use of new techniques. In a later case, a Belgian court has ruled against the Belgian telecommunications monopoly, RTT, that its monopolization of PABX's was contrary to the competition provisions of the Treaty of Rome. The EC has also intervened successfully in 1986 in challenging the Bundespost's rules regarding the supply and utilization of modems to users, as well as other restrictive activities in the area of cordless phones and cross national express mail.

Despite the slow pace of governmental reforms, the rapidity of new mergers and joint ventures among the principal equipment suppliers has been remarkable. The trend towards larger companies and more concentration is occurring not only in the United States, but in every industrialized country where "deep pockets" are required to remain competitive in developing, applying and marketing the new technologies.

In my view, the single most important catalyst to government policy change is shifting from the technology to the potential customer of that technology. Wherever users of tele-
communications have become active promoters of domestic policy changes which facilitate the competitive usage of those new information and communications services and equipment-change is in the offing. Decisions made regarding telecommunications policy affect not only the self-interest of users, but also influence broad economic policy. The “user lobby” is a recent development in Europe which has become effective in espousing the creation of more liberal environments. An example is the submission of the Association of German Chambers of Industry and Commerce to the FRG Commission on Telecommunications that called for an end to the Bundespost’s monopoly in favor of a liberal and deregulated regime that would generate new technologies, which in turn would stimulate the creation of new demand, new markets, and more jobs. These concepts command the attention of even the most comfortable bureaucrat. The “user” or customer lobby is not without its liabilities, however. There is still a tendency among both the customers and providers of telecommunications services to sigh with relief if they’ve been able to end-run the regulations in a country or get themselves in some favored status. The bad or restrictive regulations are for the next guy to worry about.

Free Flow Versus Protection of National Sovereignty

While much attention and money is focused on the common carrier end of telecommunications, we face an equally challenging situation in the broadcast area. This is where political, social and increasingly, cultural issues still subsume the economic considerations. The U.S. goals of promoting the free flow of information have plenty of technological allies and political foes.

Not only have the new communications technologies made it possible to transmit voice, data, and video signals over vast distances, but their reality conflicts, more often than not, with the information access policies and laws of countries they permeate. Despite the U.N. Declaration of Human Rights, which enshrines the rights of individuals to “seek, receive, and impart information and ideas through any media regardless of frontiers,” some national leaders fear that their cultural integrity is threatened by the new technologies. Other countries fear that the free flow of data will undermine their comparative advantages.

The biggest fear outside the U.S. appears to be building around cultural sovereignty. While we may consider this thinly veiled protectionism for local broadcast and film industries, many politicians continue to dine out on cultural sovereignty in a “technologically imperialistic” world. It is apparent to all that new broadcasting technology can promote understanding among diverse people, but also may overwhelm indigenous cultures. The popularity of American programming prompts accusations that we are engaged in “cultural imperialism”. The fact that these U.S. programs are freely bought and appreciated doesn’t soften the accusation. The Canadian Task Force on Broadcasting Policy 1986 report is a case in point. One of its primary purposes was to make recommendations to counterbalance U.S. programming. Economic incentives to Canadian producers, restricting the amount of American programming that can be shown over Canadian networks and cable systems, and denying tax credits to Canadian businesses for advertising on U.S. stations are some of the policies already gaining support.

In Europe, broadcasting has been generally organized as a public monopoly. This has been changing even more rapidly than other telecommunications-related services. In 1981, the EC issued a Green Paper entitled “Television Without Frontiers” to stimulate debate within the European Community for the establishment of a common market for broadcasting that will meet the requirements of the new direct broadcasting satellite systems and cable systems within European countries for alternative programming.

In contrast to the common carrier issues, the broadcast policies of individual European countries have diverged in response to broader political, economic, and social concerns. For three decades, the UK has had competitive national networks, and for the past ten years, Italy has permitted private broadcasters to compete against the state-owned RAI networks. In other European countries ranging from the North Sea to the Mediterranean Sea, private broadcasters and privately-owned cable systems are emerging to offer competition to the state-owned networks. Unfortunately, what started out as an innovative approach to breaking up barriers to cross national broadcasting, has become encumbered with some expected excess baggage. For example, in a recent draft directive which is making its round for revision, there are proposed content restrictions, which if enacted would require a high percentage of European-produced programming. I would also argue that they are contrary to the objectives of the Treaty of Rome.

The recent changes in the French position have been most noticeable. Traditionally, France has been a staunch defender of its cultural sovereignty as a means of reducing the influence of American culture. In enacting the Audiovisual Act of 1986, one journalist described this action as having “at least, in the case of Europe, made a purely national TV a thing of the past.”

The demand for cultural diversity, economic considerations, and the new technologies are combining to spur the development of Direct Broadcast Satellite systems in Europe in contrast to the slowdown in U.S. interest. France, Germany, Ireland, Luxembourg, Italy, and the Nordic countries are developing direct broadcast satellites that will bring new services within reach of all of Western Europe. Because the costs of these services are beyond the scope of governments, the private sector is being encouraged to participate in these projects.

While the Soviets are a long way from allowing private entrepreneurs into broadcasting, they are obviously shifting expanded access to other countries. What they are willing to do in return is unclear.

What is clear is that the new Soviet leadership understands that the new broadcasting technologies are changing the basis of their image and influence, as well as making their task of controlling information more difficult. Television images are exposing the Soviet people to more of what is going on beyond their borders, as well as exposing the rest of the world to what is going on within the USSR. The Chernobyl nuclear accident leaps vividly to mind as a lesson in communications technology as well as nuclear technology. The fact that the world heard about it over the VOA and BBC before the Soviets even notified their own people was more than a sad irony.

But the Soviet Union continues to deny its citizens the right of access to alternative programming by jamming the programs of Western broadcasters. This practice is clearly in violation of international agreements to which the Soviets say they adhere. September 1986 was a major milestone in the 38-year history of Soviet jamming. Based on complaints which my office filed starting in 1983 and the subsequent monitoring program established through the International Frequency Registration Board, a U.N. body has finally documented and formally notified the Soviet, Czech and Polish governments of their violations in irrefutable technical terms. Documentation of jamming against the British, German, Israeli and other international broadcasters has also been undertaken. This kind of initiative is important because it
puts this in a clear technical as well as political context at a
time when the Soviets are making great rhetoric about
being responsible international citizens whose adherence to
agreed upon principles can be trusted.

Where are the Developing Countries in all of
this?

According to the Missing Link report of the Independent
Commission for Worldwide Telecommunications Devel-
opment (Maitland Commission), two-thirds of the world's
population have no access to telephone service. This gap may be
widening due to the new technologies, the external debt
situation of many countries, and a decline in the availability
of foreign credits from traditional lenders. But despite these
obstacles, the Missing Link report has focused attention on
the potential, as well, as the problems for the less developed
countries.

In addition to obvious problems of money, many
developing countries are beginning to understand that tele-
communications development is also dependent upon policy
reforms.

A major objective of the Reagan Administration, and I
might add, of the World Bank as well, is to encourage private
investment in the development process. Stopping short of
privatization, greater autonomy for telecommunications ad-
ministrations can be a stimulus for generating capital and
inviting project financing.

A number of developing countries have already begun to
heed the advice. For instance, Malaysia, Sri Lanka and Chile
are studying ways to privatize their telecommunications admin-
istrations, while other countries, such as Singapore and
Jordan, have formed new state-owned corporations to pro-
vide such services. Peru’s agreement to join the United States
in consultations with INTELSAT regarding the establish-
ment of separate satellite services may have produced incen-
tives to reform Peru’s domestic telecommunications services.
Legislation is being considered that would eliminate the
monopoly of the present telecommunications administration
on international telecommunications and permit the pri-
vately-owned Peruvian telephone company, private compan-
ies, and individuals to undertake international telecommuni-
cations via satellite.

China is taking a highly flexible approach to the moderni-
ization of its network. China’s national plan is broad and
general. Increasingly, the provinces and municipalities have
the discretionary authority to choose equipment and routing
patterns which best suit local needs. To encourage reinvest-
ment, special economic zones and some coastal cities are
permitted to retain an unusually high percentage of operat-
ing revenues. In addition, China takes a progressive approach to
leased lines offering a fixed price, regardless of traffic
volume.

Beijing also views television as a powerful tool in the eco-
nomic modernization of contemporary China. Satellites are
used to beam educational programming to the remote
reaches of China’s immense territory. This new reliance on
modern technology is creating a new demand for program-
ming and hardware which could provide new opportunities
for U.S. business. Perhaps most surprising is the number of
TV sets in urban China. Over 90 percent of the urban Chi-
nese household have access to a TV. More color TV sets
were sold in China in 1986 than any place else in the world.
By anyone’s yardstick that’s a market and a force to contend
with.

In fulfilling its commitment to economic liberalization and
modernization under Prime Minister Gandhi, India is
embarked on an ambitious plan to expand its telecommuni-
cations capabilities. India’s Seventh Five Year Plan for
1985-1990 outlines a strategy to expand the domestic tele-
communications network to rural areas, to upgrade the
urban network in Calcutta and Bombay, and to modernize
the toll network in preparation for introduction of ISDN in
the next century. Although India has traditionally pursued
a policy of self-reliance in meeting its requirements, the need
for modern equipment is forcing the Indian PTT to look to
outside suppliers and service providers. India has recently
created public corporations to provide telecommunications
service in New Delhi and Bombay. If the experiment works,
additional corporations will be created in other urban areas.

Jamaica is an example of a small country with a highly
literate workforce which is attempting to utilize the new tele-
communications technologies to improve its overall economy.
Under a proposal filed by U.S. and Jamaican business inter-
ests with the FCC, a teleport facility would be established in
Montego Bay to connect with U.S. firms through direct, two-
way private lines via satellite. The low communications costs
plus Jamaica’s lower wage rates make this an interesting busi-
ness proposition, which it sponsors claim will a) help
strengthen the shared heritage and economic interests of the
region, b) create new job opportunities to reduce Jamaica’s
high unemployment, c) make available to U.S. industry and
the U.S. public lower cost and more innovative information
services, and d) result in the export of U.S. goods and
services.

Chronically underdeveloped areas such as Africa can theo-
retically benefit the most from “telepropping” technology.
Whether it’s cellular phones supplementing a hopelessly
tangled copper wire system or a satellite to beam into remote
dunges, the appeal is great. Although the problems described
by the ITU report continue to plague these countries, there
are a few major telecommunication projects on the books.
One project that regional African authorities are considering
is to develop a regional satellite system (RASCOM) similar to
those already serving other areas.

Increasing the Effectiveness of International
Mechanisms

International communications implicitly depend upon
some degree of international cooperation. Since the new
technology has made geographic borders less important,
greater coordination and cooperation is required interna-
tionally not just bilaterally. This takes place in a variety of
multilateral forums, but chief among them continues to be
the International Telecommunication Union. The ITU is
the oldest ongoing international organization predating the
U.N. by some 75 years.

Traditionally, trade people and ITU people do not speak
to one another. Participants in the ITU have normally been
drawn from the telecommunications ministries, PTTs, and
the industry. Their activities are quite often not known to
other parts of their governments. Senior economic officials
may be seeking to move their countries into new directions in
telecommunications while technical and operational officials
are attempting to defend the ancien regime in the ITU.

In the United States, the world of ITU and trade, like the
converging telecommunications and information industries,
are being forced together. As I mentioned earlier, this process
is occurring in other countries, but not nearly fast enough to
permit well thought out, coordinated policy making based
on a broad consideration of national interests. Too often poli-
cies are being advocated which represent the interests of only
one part of a country’s telecommunications industry—or as
in the case of the ITU, the efforts of one ministry to use the
ITU treaty obligations to fight domestic battles with other
competing ministries.
Through our U.S. National Committees chaired by State Department officials, we are encouraging U.S. industry to become even more active in our process. We are also attempting to involve more of the customers as well as manufacturers and service providers. We are encouraging other administrations to do the same.

Over the next several years there are a number of major ITU conferences which will directly affect U.S. interests. In each instance, differing national policy goals and technological realities are brought into direct conflict. A case in point is the 1988 World Administrative Telegraph and Telephone Conference (WATTC-88). This conference will consider proposals for a revised international regulatory framework for telecommunications services reflective of the new technology and services. It pits the information processing industry, which has been essentially unregulated in most countries against the basic telecommunications service providers who have traditionally been highly regulated in all countries.

The United States objectives for the WATTC are simple. We believe that the new telecommunications regulations should contain only the essential principles of international services and should apply to public correspondence. As with other conferences, we are systematically pushing for the adoption of flexible rules which will not only facilitate the development of new technologies and innovative services but will help insure the continued economic potential of the information age.

In highlighting even a few of the issues and trends which I see at work internationally, it is clear that all countries feel the pressure to adjust their policies to catch up with the technological potential of the information age.

The American love of technology continues to reinforce our leadership abroad. We and others who are willing to push the horizons of technology through private entrepreneurship and minimum government interference will continue to command the future.

The next challenge of the information age is not of technology, but of how to insure that technology continues to support the goals of open societies. I believe that as a world leader, the U.S. has a special responsibility to promote aggressively policies and activities which will insure that technology also supports the more fundamental principles of freedom of thought and commerce. It’s going to require the concerted efforts of both engineers and policy makers.

Ambassador Diana Lady Dougan is the first U.S. Coordinator for International Communications and Information Policy and has statutory overall responsibilities for “international communications policy formulation, coordination and oversight” within the U.S. Government, serving at the level of Assistant Secretary of State with the permanent rank of Ambassador.

In this capacity Ambassador Dougan works closely with some 14 federal agencies in developing U.S. Government policies and strategies abroad. She also has responsibility for U.S. participation in a number of multilateral forums including the ITU, INTELSAT, INMARSAT and the OECD. In addition to being the U.S. Coordinator, Ambassador Dougan also heads up the Bureau for International Communications and Information within the Department of State.

Ambassador Dougan has served two prior Presidential, Senate confirmed appointments as a Director of the Corporation for Public Broadcasting. First appointed by President Ford in 1976 and reappointed by President Carter in 1980, she resigned from her six-year term to accept the Office of Coordinator.

Ambassador Dougan also has produced or directed a number of television programs including “The MX Debate” which in 1981 won the prestigious Peabody Award for “excellence in broadcast journalism.” Working extensively in telecommunications for over 20 years, Ambassador Dougan’s early career included serving for several years as CATV Marketing and Promotion Director for Time, Inc. The Ambassador is the recipient of numerous awards and honors, including the “Outstanding Woman in Communications Award,” “Distinguished Citizen of Maryland,” “Utah Woman of the Year” and “Honorary Citizen of Korea.” Ambassador Dougan was also the first non-British woman to become a member of Lloyds of London.