

Forum Invest Economic Summit

Session III: "Closing the Gap in Infrastructure,
Transportation and Communication"

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Outline

- U.S. Telecommunications and Information Technology Policy Environment
- Romanian and Global Expansion of ICT Access and Infrastructure
- Wireless Technologies as Solution for Access and Development
- Romania's Internet Environment

NTIA's Role in U.S. Telecommunications Policymaking

The National Telecommunications and Information Administration (NTIA) is the U.S. Executive Branch's principal voice and adviser on domestic and international communications policy issues.

FIVE CORE RESPONSIBILITIES

- **Principal advisor to the President on telecommunications and information policy issues**
- **Represent the Executive Branch in international & domestic telecommunications policy activities**
- **Manage Federal Government use of frequency spectrum**
- **Administer technology application and public telecommunications facilities grants**
- **Perform telecommunications research & engineering for both the Federal Government and the private sector**

Governing Principles for U.S. Technology Agenda

"The role of government is not to create wealth; the role of our government is to create an environment in which the entrepreneur can flourish, in which minds can expand, in which technologies can reach new frontiers."

- President George W. Bush, Technology Agenda, Nov. 2002.

- Promote Competition and Efficient Investment.
- Technology Neutrality: Don't pick winners and losers; open the door to all technologies, not just one or two.
- Refine regulatory/policy structures to reflect continually changing technological/economic/competitive conditions.
- Deregulate where appropriate; regulate minimally and intelligently where necessary.

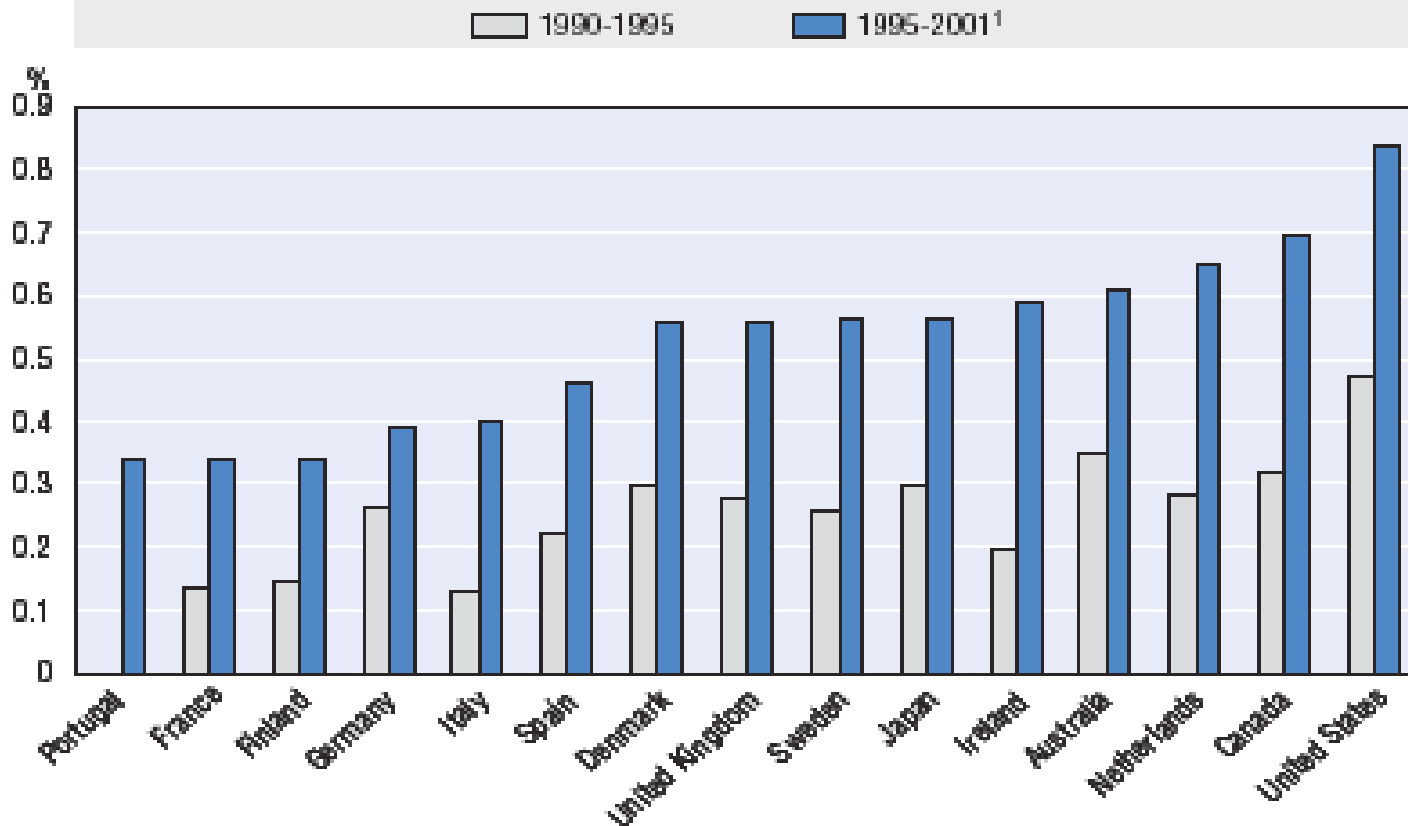
Romania: Laying the Foundation for ICT Development

- Foundation for future investment in Romania's 2 billion EUR market: Sound regulatory structure that provides for open and fair competition.
- National Regulatory Authority in Communications (ANRC) established in September 2002.
- January 1, 2003: Full liberalization of the telecommunications market.
- 19,000 km of fiber optic backbone and growing
- New VOIP operators providing competitive services: Astral, CFR, Translectrica, SNRadiocoummunicatii, and PCNet.

ICT Development's Role in the Global Economy

- ICT Capabilities and Skills help determine a nation's:
 - ability to compete
 - its economic growth, and
 - its standard of living
- USA: USA: For the period 1989-2001, 100% of the positive growth in U.S. labor productivity for the non-farm economy can be attributed to IT-intensive industries." (*Source: US Commerce Department, Digital Economy 2003*)
- China: ICT growth has generated 6% of Gross Domestic Product (GDP) growth (1/04)

Contribution of ICT Capital Investment to GDP Growth



1. Or latest available year, i.e. 1995-2000 for Denmark, Finland, Ireland, Japan, Netherlands, Portugal and Sweden.

Source: OECD estimates based on Database on Capital Services. See Schreyer et al. (2003) for methodological details.

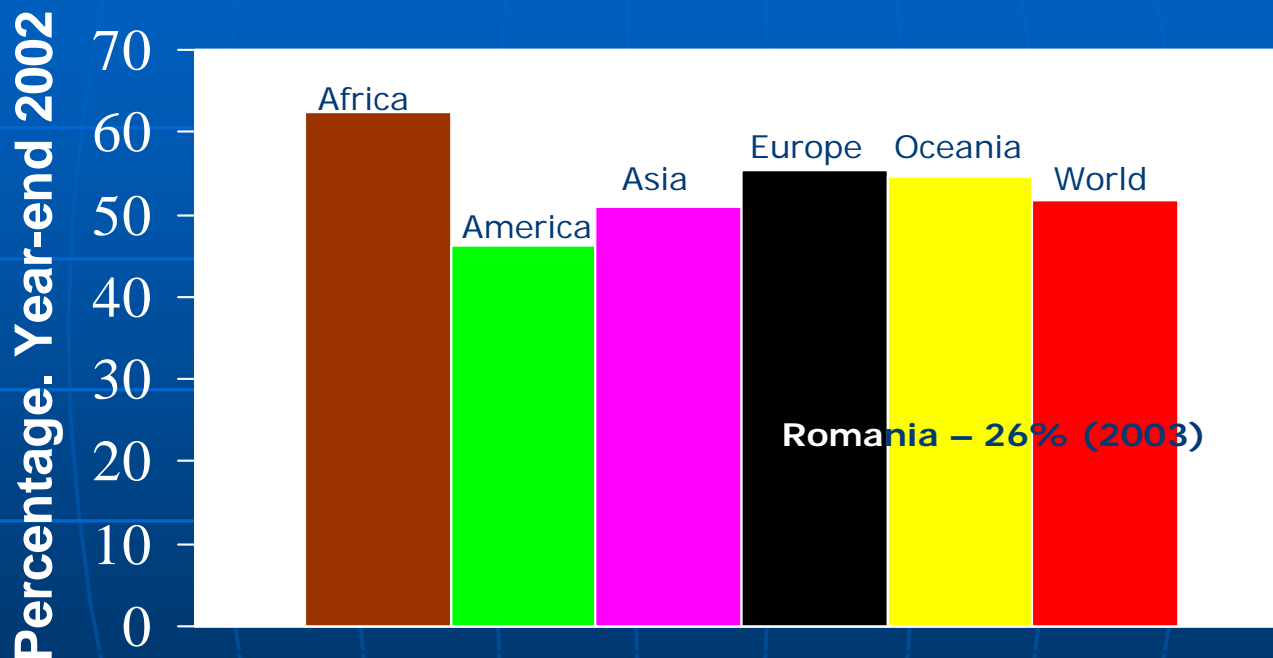
UN World Summit on the Information Society (WSIS)

- “First Phase” of WSIS December 2003
- Over 175 nations agreed on:
 - The pressing need for universal ICT access and the widespread infrastructure on which it is founded
 - Connecting all villages, schools, hospitals and governments with ICT by 2015 and ensuring that half of the world’s people are within reach of ICT
 - Critical role of private sector in charting the course for successful deployment of ICTs.

Wireless Solutions to ICT Access

- Countries use wireless technologies to leapfrog wireline approaches and to install new infrastructure
- Mixtures of technologies – fixed wireless, terrestrial and satellite, VSAT with Wi-Fi
- Romania: Both GSM and CDMA carriers – allowing competition to spur growth, lower rates, and better service.
- Romania: Wireline Subs = 4.4 million
 Wireless Subs = 4.9 million (26% penetration)
- Latest data from ANRC shows 7.35 millions mobile subscribers. (2004)
- Mobile subscribers are 51 percent of all telephone subscribers worldwide

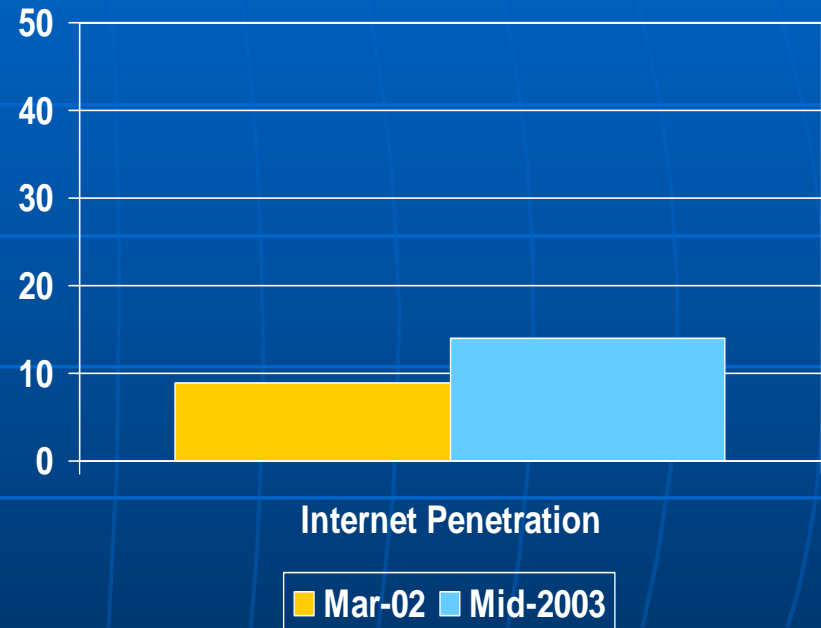
Cellular Penetration Levels by World Regions



Cellular Mobile Subscribers as Percentage
Total Telephone Subscribers

Internet in Romania

- Romania's Internet penetration is 14% (as of Mid-2003) and demonstrates a growth in comparison with the 9% penetration rate as of March 2002. (Source: *IBM*)
- Internet Service Providers are consolidating.
- Romania hosted meeting of the Internet Corporation for Assigned Numbers and Names (ICANN) in 2002.
- Latest data from ANRC shows 100,000 broadband users (2004).
- Latest data from ANRC shows 62,000 .ro domains (2004)



Additional Information

- ANRC Website: www.anrc.ro
- NTIA Website: www.ntia.doc.gov
- U.S. Foreign and Commercial Service Website:
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