THE BROOKINGS INSTITUTION

PRINCIPLES OF INTERNET GOVERNANCE:

AN AGENDA FOR ECONOMIC GROWTH AND INNOVATION

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Remarks:

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P R O C E E D I N G S

MR. WEST: Why don't we get going? First of all, good

afternoon. I'm Darrell West, vice president of Governance Studies and

director of the Center for Technology Innovation at The Brookings

Institution. And I would like to welcome you to this forum on Internet

governance. And for those of you who like to Tweet, we've set up a

Twitter hashtag at techCTI, that's techCTI, so you can feel free to Tweet

and make comments on the presentation today.

The last few years have been interesting in the development

of the Internet. On the one hand, we've seen tremendous growth in

Internet communications and transactions. But on the other hand, we face

risk of a balkanized Internet divided by national boundaries and

geopolitical divisions. The latter, of course, is problematic because if

various countries follow different principles, we lose the transparency and

integration that has been vital to electronic communications.

The worst-case scenario is that we end up with a Tower of

Babel version of the Internet, where different countries, different

companies, different interests have different rules and it becomes difficult

to navigate across those various jurisdictions. To deal with these issues,

officials at the Organization for Economic Cooperation and Development

have undertaken extended discussion of the principles of Internet

governance designed to promote innovation and economic growth. The idea is that if member nations, industry groups and technical advisory groups could agree on fundamental principles, that this would aid communication and keep the Internet open and transparent.

One of the leaders of this effort was the U.S. ambassador and permanent representative to the OECD, Karen Kornbluh, and we are pleased that she is here with us today. As many of you know, she was sworn in as OECD ambassador in 2009, and she has been a strong voice for economic growth and innovation.

Prior to her appointment, she served as policy director for then Senator Barack Obama from 2005 until 2008. And in 2008, she helped author Obama's policy platform for his successful presidential campaign.

She founded the Work and Family Program at the New America Foundation and also has served as a Markle Technology Policy Fellow. She's going to discuss the principles of Internet governance. So please join me in welcoming Ambassador Kornbluh to the Brookings Institution. (Applause)

MS. KORNBLUH: Thank you so much. I just want to say that people who are interested in the Internet are a very attractive bunch of people. I want to thank Darrell so much for hosting this, and Jonathan

Salat for organizing it. And Kathy Brown is the brains behind this. Thank you so much.

And then it's just such an honor to be speaking with Larry Strickling, who, as you know, speaks for the President on these issues, on the Internet issues. And it's been such a pleasure to work with him because he's just such a true leader, both in terms of an intellectual thought leader, but also in terms of the incredible team that he's assembled.

And the Internet policy principles that we worked on were a real team effort across the whole government. It started out as something that Danny Weitzner and Phil Wiser, who's in the White House, and I started talking about. We talked about them with NTIA and Phil Rivera's shop at the State Department, the Federal Communications Commission, so it was a real joint effort inspired by Larry's example.

And I just want to say it's so appropriate that we're talking about this here at The Brookings Institution, because The Brookings Institution, as you probably know, going back to its founding in 1916, is really dedicated to the idea, the proposition that if you spread ideas, that leads to the increase of freedom and democratic values, and also to economic growth. And that's not always obviously a safe or an easy proposition.

My kids have just come back to the U.S. from France and they're studying history. And one of the things my older son is learning about is the impact of the printing press and what that did in terms of the development of so many of the things that we take for granted, whether it was the spread of first Renaissance and the Industrial Revolution and eventually democracy, so much of that wouldn't have been possible without the printing press that allowed individuals to get access to information. But as you also know from studying history, there were also a bunch of wars as those in power tried to put the genie back in the bottle, tried to stop individuals from getting their hands on information directly.

And I don't think it's an overstatement to say that a little bit of the dynamic is in play with the Internet, as well. The Internet is an amazing technology for getting information into the hands of individuals. It's already had a huge impact in terms of jobs and economic growth. In fact, in the first 15 years of the Internet's growth, it's had more of a job impact than in the first 50 years of the Industrial Revolution.

It's a prime job producer and growth producer in the developed world. It produces far more jobs than it displaces. It's also, as you know from the Arab Spring and all kinds of other examples, it's a tool for democratic aspirations, and that's why Secretary Clinton has talked about freedom to connect, the Internet freedom agenda, because of the

importance of the Internet as a place where people can assemble, can

learn, can express ideas. But obviously there's been a strong reaction.

And there are countries like Iran that would like to put that

genie back in the bottle, would like to wall off, for example, Iranian

cyberspace from the rest of the world. And the difference in this situation,

one of the differences between this situation and the printing press is that

the Internet's power lies in the fact that it's this global platform, that it's

end-to-end communication across the globe, it's a single platform.

And so if individual countries decide that it's in their interest

to regulate their piece of it and to cut off people from their piece of it, you

wind up, as Darrell said, with a lot of mini Internets, with a balkanized

Internet, and you shoot the innovation potential, the job potential, the

growth potential, and, of course, the democratic potential of the Internet.

The key thing about the Internet's growth so far -- and this is,

I think, what Larry Strickling is going to be talking about -- is that as it's

developed, there hasn't been a need to get permission, no central

authority to share ideas. Instead, there's been a decentralized system of

public and private actors collaborating to ensure how it functions and how

it expands. But this means, as I said, that if there's a heavy-handed

approach that's taken to regulate it, it reduces the value for everyone.

And so what the administration came to see is that you really

need collective action to protect the Internet. And you really need to have a foreign policy that accounts for the Internet. That's become absolutely essential. And that's why the President issued the U.S. International Strategy for Cyberspace, which is an agenda for safeguarding the single Internet. And, as I said, Secretary Clinton developed her groundbreaking Internet freedom agenda.

These were really around the idea that we need to work together with other countries to protect this international, global treasure. And it's also why the U.S. was supportive of the idea that the OECD had to have a high-level meeting in June, to bring together a bunch of different stakeholders, to bring together the advisory groups that the OECD has on the technical community, the business community, civil society, labor, as well as the countries of the OECD and other countries that it could bring to the board. So there were 40 countries actually represented there.

And at the high-level meeting, there was a lot of debate, discussion, negotiation of these principles, high-level principles, that are really not supposed to be a step-by-step prescription, but are supposed to guide our thinking about how you can both preserve openness, preserve the free flow of information, and at the same time protect some of these policy concerns that every nation has for protecting intellectual property, for protecting privacy, children, consumers, that you don't have to impinge

on the openness and the Internet to address these kinds of things.

And some of the exciting repercussions of the fact that these principles were adopted, and we'll be talking about more of the details of them, are twofold. One is that it said that this is what it means to be an open, democratic, developed country. You accept these principles. If you want to get on the growth train, if you want to get on the democratic train, this is what you should subscribe to, this kind of high-level principle that says you can use a multi-stakeholder process, be transparent and still protect values.

Now, the OECD, in December, took a further step, and it adopted these principles, this communiqué that came out of the high-level meeting in June, as a formal OECD recommendation. Many people in the room were actually there when this happened; it was pretty exciting. And what that means is that not only is it a further formal statement, that these are really important to the countries of the OECD, but also that countries that want to join the OECD are going to be asked, how do you comply with these? What's your stand?

And interestingly enough, the next country that's on the glide path to joining is Russia, so that will be a very interesting conversation that we'll have, and we're all looking forward to that. So as I said, when Danny and Phil Wiser and Larry Strickling and Phil Rivera, Julius, others and all

their teams started to look at why we would use the OECD, a key reason

was that it was in itself transparent, as much as an international

organization can be, and involves these multi-stakeholder organizations,

that it has these formal advisory groups, plus it played a key role in the

history of the Internet. It adopted the e-commerce guidelines, the

international e-commerce guidelines. It's got the international privacy

guidelines. It does the broadband rankings. So this also led credibility to

these principles. They're not coming out of left field from some

organization that doesn't have anything to do with the Internet. This is an

organization that's played a role in the shaping of a consensus about how

you approach the Internet.

And then the second thing -- or the third thing I should say is

that it is a place dedicated to economic growth. So it was another

statement that not only is this kind of approach important for human rights,

important for democracy, but it's also important for economic growth.

And what are the three challenges that we were trying to

address? Danny and I tried to lay this out afterwards in an op-ed. I'm not

sure we were thinking this clearly at the beginning, but afterwards we

knew why we had done it. There are three kinds of problems that we were

trying to solve. One was that there are some countries that would like to

take the pre-Internet world of telecom regulation and impose it on the

Internet. So they would like to take some of the rules that say that an

individual government can control the rules of the Internet and impose

them, perhaps through an organization like the U.N. on the Internet, and

that would lead to further balkanization.

This is a statement that you don't need to go to another

organization. Countries can come together, they can meet in a multi-

stakeholder organization. They can devise some principles and then they

can go out and do it. So that was one challenge you were trying to

address.

Another is that, as I said, countries have the need to address

certain public policy concerns that they have on the Internet. These a very

legitimate concerns, as we know: intellectual property, children,

consumers, law enforcement concerns, and privacy, of course. And

there's always some question, how do you strike that balance? How do

you address these concerns? Do you have to restrict the free flow of

information? And what these principles were a statement of was, no, you

don't.

And these allow democratic societies to say this is how we

go about addressing these issues. This is really different than what a

country that wants to be more authoritarian about the Internet is doing.

This is dramatically different, and here's –- we are doing this in a way that

comports with openness and let us show you how. Let's look at these principles. Let's tick off how we're complying with them as we go through our process. Dramatically different than, you know, in the dead of night, in, you know, in secret, restricting the Internet to protect policy concerns.

And I guess the other issue that I wanted to say is that we do have these set what we call cyber autocracies. We have countries, like in Iran and in Syria and other countries, that really would like to wall off the Internet. And these -- what we want to do with these Internet policy principles is use them as a consensus-building device to work with other countries, and in the proposition, to get consensus around the proposition that there is another way to go.

And so there are countries that are fence sitters, if you will, between the countries that would really like to gain control, more democratic countries. And what we can use these principles for is to work with those fence sitters and say, here, let's go about it this way. So we're very excited about using them.

I think one of the things we're going to talk about in the panel later is what do we do next? How do we take these principles, increase consensus, increase the knowledge about the importance of this, reach out to countries that are not as knowledgeable, that haven't been online, that are not rich countries, not part of the rich counties club, which some

people call the OECD, and explain how this is in your benefit, this is how

you can grow, this is how the Internet can work for you? I think many of

these countries, it's scary. The Internet unleashes all kinds of things that

they're not familiar with.

So one of the things we're looking at right now very actively, and we

can have a discussion about this, is how do we find the next stage

countries that we can sign on to this blueprint, work together with them

and build a foreign policy that really respects the values that we all hold

dear?

One of the things that Hillary Clinton said in her speeches on

the Internet is that we want to ask other countries to join us in a bet on the

open Internet. And we really feel that these principles and the actions that

we're going to be taking with them, the consensus that we're going to be

building, is doing just that, is asking other countries to join us in a bet on

the open Internet.

We have a number of countries, a number of stakeholders

that have already joined us in this bet. We're extremely excited about it,

very proud about it, and we really look forward to working with all of you

very attractive people to continue to build the group of people that are

making a bet on behalf of the open Internet. So thank you very much.

(Applause)

MR. WEST: This audience is starting to sound like Lake Wobegone. All of you are clearly above average. We're also very pleased to have Larry Strickling with us today. As you know, he is assistant secretary for communication and information and administrator of the National Telecommunications and Information Administration in the U.S. Department of Commerce.

In that position, he advises the President on broadband access and adoption. He also helped launched America's first public searchable nationwide map of consumer broadband availability. He has helped to craft a plan to double the amount of commercial spectrum that is available. He plays a key role in the Commerce Department's Internet Policy Task Force and the job of promoting the Internet domain name system through ICANN. So please join me in welcoming Assistant Secretary Strickling to Brookings. (Applause)

MR. STRICKLING: Well, I want to thank Darrell and The Brookings Institution for hosting today's session and inviting me to participate. Now, Karen referred to you all as an attractive audience of people interested in the Internet. I look out at all of you and say, oh, these are the policy folks that couldn't score an invite to the Consumer Electronics Show this week. But actually I would prefer to think of you as folks that want to have a serious policy discussion on these issues. And

we all know that a serious policy discussion in Las Vegas is an oxymoron,

so I'm glad you're all here today for today's discussion.

Now, as you've just heard from Ambassador Kornbluh, the

adoption of the OECD Internet policy-making principles last June and their

subsequent transformation into an OECD recommendation was a major

achievement in 2001. And I think we all owe a very large debt of gratitude

to the ambassador for her leadership and commitment to this important

effort, which was a key Obama Administration priority for 2011. So please

join me in just recognizing her again. (Applause)

These principles represent the strongest articulation of our

vision for Internet governance. Through the OECD process, over 30

countries have now joined in that vision. And as we enter 2012, the

OECD effort lays the foundation for furthering the global consensus on the

multi-stakeholder model of addressing Internet policy issues.

This is a critical initiative as we will face challenges from a

number of countries this year in many different fora. And the OECD

policy-making principles will serve as our greatest asset as we face these

challenges head on.

In order to illustrate the work we have cut out for us, let me

first emphasize that the Internet we enjoy today, this marvelous engine of

economic growth and innovation, did not develop by happenstance. It

emerged as the hard work of multi stakeholder organizations such as the

Internet Society, the Internet Engineering Task Force, the Worldwide Web

Consortium. These organizations all have played a major role in

designing and operating the Internet we know today. And these

processes have succeeded by their very nature of openness and

inclusiveness. They are most capable of attacking issues with the speed

and flexibility required in this rapidly changing Internet environment.

Nonetheless, we face challenges to this model even in our

own country. And in that regard, I'd just like to take a minute to update

everyone on where we are with respect to ICANN's program to expand

top-level domains on the Internet.

For the last six years, ICANN and its many stakeholders

around the world have debated the rules for expanding the domain name

system, essentially the Internet's address book, through the introduction of

new generic top-level domain names. ICANN's process involved global

stakeholders from the business community, civil society, registries,

registrars, and, of course, governments. Nonetheless, in December, we

saw parties that did not like the outcome of that multi-stakeholder process

trying to bypass ICANN by seeking unilateral action by the U.S.

Government to overturn or delay the product of that six-year multi-

stakeholder process that had engaged folks from all over the world. And I

want to emphasize that it's really important here to separate the concerns

that some industry members have from the process that they wish us to

employ to change the decisions and compromises ICANN reached with

the stakeholders.

Based on meetings we've had with industry over the past

few weeks, there's no question that there is a level of concern about the

specifics of the program. We are aware that some members of industry

believe that there may well be a number of unintended and unforeseen

consequences that could jeopardize its success.

Accordingly, I sent a letter last week to ICANN urging it to

work to mitigate these concerns and issues related to the perceived need

for defensive applications, and to improve communication with

stakeholders and potential new GTLD applicants prior to the launch of the

program.

Already ICANN has taken steps to enhance its outreach in

the United States, including an information session this morning here in

Washington. And with broader awareness, it's possible that new top-level

domains, in addition to facilitating the expansion of the Internet in local

languages and offering a platform for entrepreneurs, could help in meeting

some of the Internet's biggest challenges. For example, just last week in

meeting with a number of content providers, we discussed the possibility

that expansion of top-level domains could provide an interesting new vehicle for attacking the serious problem of piracy on the Internet. And that's something that we're going to be looking at very carefully over the next several months as applications come in, making sure that ICANN takes a look at what rules might be required of domain holders of things like .music or .movie that could, you know, directly confront the question of piracy on the Internet.

Now, what I did not do in my letter was demand that ICANN abandon its multi-stakeholder processes to deal with these concerns. And I've been encouraged by ICANN's response to my letter today in which they commit to review possible improvements to the program, specifically to deal with the perceived need for defensive registrations at the top level, as well as to complete their work on a series of work streams to facilitate more effective tools for law enforcement and consumer protection.

But as is necessary in all multi-stakeholder processes, all of these efforts will require active engagement by all parties prior to adoption. And I urge everyone to get involved, particularly perspective new applicants, because if your application is successful, you're going to be operating a critical piece of the global Internet infrastructure. And with this comes responsibility to actively participate in ICANN and the other related multi-stakeholder processes such the Internet governance forum. But we

cannot view this episode with ICANN in a vacuum. Each challenge to the

multi-stakeholder model has implications for Internet governance

throughout the world. When parties ask us to overturn the outcomes of

these processes, no matter how well-intentioned the request, they are

providing ammunition to other countries who would like to see

governments take control of the net.

        As many of you are aware, this is precisely the challenge we

faced this December in Dubai at the World Conference on International

Telecommunications. This conference, which is hosted by the

International Telecommunication Union, attracts delegates from the ITU's

193 member countries.

        Specifically, this conference will renegotiate the International

Telecommunications Regulations, a treaty drafted in 1988 that set the

basic terms for interconnection of international telephone networks.

Notably, the ITRs allowed for private agreements between

nongovernmental telecommunication carriers, and these private

arrangements have subsequently become the most common form of

agreement as most telecommunication providers privatized over the

intervening years.

        Now, as former Ambassador David Gross recently wrote,

some within the ITU and its member states would now like to see major

changes to the treaty, particularly with respect to the Internet, as well as

wireless, IP-based and text generation networks, which have historically

been mostly free of intrusive economic and other regulation. For example,

some countries have submitted proposals to make ITU standards

recommendations mandatory, and thus enforceable by treaty, which would

be a drastic departure from the current voluntary nature. Some countries

have proposed moving oversight of critical Internet resources into the ITU,

including naming and numbering authority, from multi-stakeholder

institutions such as ICANN.

Many governments have called for the ITU to play a greater

role in regulating peering and termination charges in order to compensate

for lost telecommunication fees. Also, in an effort to establish the ITU as

an operational authority on international cybersecurity, some more

authoritarian countries have proposed to include cybersecurity and cyber

crime provisions into the ITRs.

These proposals are relics of an industry structure that no

longer exists. The ITU was established as the International Telegraph

Union in 1865 to facilitate the interconnection of nationally administered

telegraph networks. And as communications evolved, the ITU changed its

name and scope in 1932 to once again facilitate interconnection of

national networks. This time, circuits switched telephone networks run by

national companies. For some, the next logical step is for the ITU to once again facilitate interconnection to today's network, the Internet. And while the technology has changed, the veneration that certain governments hold for central regulation has not.

For some governments, the WCIT conference represents an opportunity to shoehorn the Internet into a supranational regulatory body where it simply does not belong. These governments fail to acknowledge how fundamentally different the Internet is to the forms of communication which preceded it.

The Internet does not operate under the anachronistic model of monopoly telephone providers that control all aspects of their networks within their countries. Rather, it is a diverse multilayered system that thrives only through the cooperation of many different parties, and all of these parties together form the network of networks that we call the Internet. And to disrupt even one could jeopardize the entire system.

So our task is clear. We must continue to make the case that an Internet guided by the open and inclusive processes as articulated in the OECD policy-making principles will encourage the rapid economic growth and wealth creation that the Internet has made possible. It is incumbent upon us to convince other nations that enshrining the Internet in an international treaty will not accomplish these goals. The framework

simply will not fit. An Internet constrained by an international treaty will

stifle the innovators and entrepreneurs who have been and will continue to

be responsible for its growth.

As FCC Commissioner Rob McDowell said recently,

upending the fundamentals of the multi-stakeholder model is likely to

balkanize the Internet at best and suffocate it at worst. And the states

who seek to impose their control over the Internet will only be further

removed from its awesome potential.

At the Internet Governance Forum in Kenya in September, I

made a call to action that I'll repeat today. All stakeholders should step up

in support of the free and open Internet and the multi-stakeholder process

that has led to its success.

The multi-stakeholder process cannot work without you.

And if we want to maintain a vibrant and growing Internet, we must all take

action to ensure that the multi-stakeholder model continues to define the

future of Internet governance.

For our part at NTIA, over the coming months, we will

continue to meet with all stakeholders to collectively develop ideas on how

best to preserve the open and innovative Internet. In preparation for the

December WCIT, the U.S. Government will stand up an active interagency

process to leverage the expertise and talents of our various organizations

to meet this year's pressing challenges. And key to that will be engaging

with international governmental and nongovernmental partners, and I

encourage all of you to participate in these important discussions. Thank

you very much. (Applause)

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CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

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