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# Policy statement

## **The International Telecommunication Union (ITU) and the Internet**

*Prepared by the Commission on E-Business, IT and Telecoms*

### **ICC raises concerns about the role ITU wants to play with regards to the Internet**

#### **Executive Summary**

As the telecommunications industry migrates from circuit switched to Internet Protocol (IP)-based networks, the ITU is seeking to establish a broader role for itself in the Internet. It is important that the ITU continue serving its membership by maintaining a focus on core competencies rather than reaching into operational, technical and policy areas for which it lacks a mandate, the requisite expertise, or even the structure necessary to implement such work.

The ITU has an ongoing and critical role to play in advancing telecommunications-density and awareness about related telephony and wireless standards on a global basis. Given that today, still more than 50% of the world's population has yet to make a telephone call; it is essential for all parties concerned that the ITU concentrate on its well-developed areas of expertise and in fulfilling its own core mission and related activities. In the meantime, the Internet's "network of networks" which utilizes standards developed via the ITU already has an existing mechanism through ICANN where the necessary coordination and management of key functions are undertaken.

ICC acknowledges and strongly supports the ITU's continued contributions to the formulation of global telephony standards and spectrum allocations, as well as its extensive work in the developing world. ICC also acknowledges the diversity of perspectives among ITU member countries seeking to better understand and to become more "engaged" in Internet issues. However, ICC does not support merging or moving the functions of either ICANN or the ITU, or of changing the scope of responsibility of either organization. All parties will benefit if the important responsibilities of each remain their key focus, and information exchanges with each other and with existing fora and organizations are enhanced.

As noted above, the telecommunications industry is undergoing a significant evolution toward IP networks, involving rapid changes in markets and technologies. The ITU itself is reflecting much of the dynamism in the industry by seeking to define its proper role and focus. In addition to a fast-changing environment, the ITU is facing serious financial challenges, which it is now addressing with the help of outside experts.

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Under these circumstances, ICC urges careful reflection by the ITU and its membership as they consider the organization's future and whether and how to broaden or change its scope of activities, especially with respect to Internet related matters. ICC is supportive of the concerns about the importance of the financial stability of the ITU. Given the dependence of the developing countries, and the developed countries on the ITU's standards development functions and on its leadership in telephony and spectrum, ICC agrees that it must be returned to a stable financial standing.

ICC is concerned that particular expertise is required to address Internet governance issues. The naming and addressing issues of the Internet are being managed appropriately by Internet Corporation for Assigned Names and Numbers (ICANN) and a host of other entities involved in the technical coordination and management of the Internet. These functions are not within ITU's core competencies.

Experts work not only in ICANN but also in the other standards bodies and organizations, such as the Internet Engineering Task Force (IETF) and World Wide Web Consortium (W3C). In addition, most experts on these issues are not active in ITU Study Groups, but are heavily involved already in the existing private sector processes and open fora where the technical and policy work is done. Therefore, from a business perspective, the restructuring of the ITU and any changes in its work or scope needs to be achieved in such a way that its work, whether through changes in its treaty, or via study questions within its sectors, do not expand into those Internet areas already well underway in other organizations.

As the technology world evolves, ICC believes that the ITU can continue to develop within its core competencies to address many issues surrounding next generation networks in all three sectors – telecommunications standards, radio spectrum and development. The work will assist both developed and developing countries and sector members of the ITU.

ICC believes that ITU efforts to take over activities and functions performed by others are counterproductive. The ITU inhibits cooperation, coordination and collaboration with other groups when it does not recognize or respect their ongoing work and is seen as attempting to supplant them. Furthermore, ICC does not support the ITU's incremental expansion of its activities into the regulation, coordination and management of the Internet or IP networks. This includes the management of domain names, international Internet connectivity (ICAIS), Internet governance, and the inclusion of the Internet in the review of the International Telecommunication Regulations (ITRs).

Several decisions taken at various meetings of the ITU have resulted in resolutions that are troublesome to ICC. While the texts are carefully worded, it is clear that in particular the Strategy and Policy Unit (SPU) and the Telecom Standardization (ITU-T) sector are moving more and more into IP and Internet-related areas. ICC is concerned about such an expansion.

ICC is the world business organization, the only representative body that speaks with authority on behalf of enterprises from all sectors in every part of the world. Its national committees in 90 countries comprise business organizations of all sizes, including users and providers of information technology and electronic services from both developed and developing countries. Many ICC members are also ITU sector members and are actively involved in IETF, ICANN, and

W3C, ETSI, and other regional groups. The purpose of this paper is to provide background on the ITU's present "authority" for and involvement in Internet related issues and to provide a recommended set of activities for the ITU that will benefit all parties concerned.

## **Core competencies**

### **An appropriate role for the ITU: a business perspective:**

It is acknowledged that the ITU performs its core activities in telecommunications standards and in radio spectrum effectively. In the Radio Sector, key global frequency issues are discussed and agreed upon. Bands are harmonized on a global basis with governments and industry coming together to agree on highly specific and far-reaching spectrum allocations.

In the Telecommunications sector, standards are agreed to in a matter of months, not years. If no policy issues are involved, it can take as little as 5-7 months to approve a "technical" standard under the Alternative Approval Process. The Study Groups under the T Sector provide a forum where governments come together with the technical standards representatives of sector members to discuss global standards; two of the Study Groups in the T Sector address directly related policy implications of telephony issues, such as misuse of E.164 numbers, international telecommunications tariffs, etc. The T Sector has several hundred sector members, but these are heavily telecommunications intensive, and have minimal expertise in those areas not directly related to ITU T's core work, thus allowing efficient and productive focus on the core work of the ITU T Sector. This approach has been remarkably successful over the years.

Developing and maintaining cooperative relationships with other technical standards bodies is critically important in this area since interoperability and quality are essential in supporting the Information Society.

The Development Sector undertakes extensive information sharing and technical assistance to developing countries. It is a global forum where these countries can discuss and learn about technical developments, network migration issues and network security matters, just to name a few.

### **ITU activities supported by business**

ICC supports ITU activities in the following areas:

1. Continued focus on telecommunications Network Standards.
2. Maintaining a key focus via the Radiocommunication (ITU-R) sector in allocation and management of radio spectrum, a critical resource for the development of communications networks, for both the developed and developing countries.
3. Continuing the work of the various Study Groups (SGs), including SG 13 as it relates to the standards for the Next Generation Networks (NGN).

4. Awareness and education in conjunction with other expert bodies as appropriate:
  - a) IP Handbook
  - b) Where workshops are of interest that include subject matters in which other international bodies/groups are involved, seeking to plan, organize and sponsor as “joint” workshops, to maximize cooperative efforts with other international entities.
5. NGN – technical standards work related to topics such as the convergence of wireless and wireline networks, and end-to-end Quality of Service (QoS). Provide an IP-based transport foundation for supporting Internet applications/services and innovating architectures that can provide new opportunities.
6. Completing the role as a neutral secretariat of the WSIS, avoiding imposition of outcomes via the secretariat functions.
7. Clear focus on core competencies and functions of the ITU, avoiding unnecessary expenses and seeking to streamline the ITU’s work, consistent with similar focus within the private sector.
8. Seminars and capacity building to identify “best practices” for successful transition to an IP enabled environment, with particular emphasis on developing countries, again in conjunction with other expert bodies.

#### **Criteria for ITU activities**

Below are a set of criteria by which the ITU and its members – both member states and sector members – should evaluate whether a particular proposed work programme is appropriate for the ITU to undertake:

- ITU activities should ensure first and foremost the effective and efficient fulfillment of its core mission related to telephony and spectrum.
- Regarding IP work, the ITU should focus on the lower, physical layers of the network in support of IP-based transport and applications related to the existing Internet. For future IP-based NGNs, the ITU may have to address also higher layer issues such as NGN, end-to-end QoS scenarios etc.
- ITU activities should utilize, where appropriate, related work in other groups, e.g. reference technical standards, to build upon already established technical solutions efficiently and to increase the awareness of the important work in other groups that may be of interest to ITU members.
- ITU activities should not interfere with competitive economic decision-making.
- ITU, wherever possible, should seek to cooperate and collaborate with other international bodies in the various workshops related to Resolution 101, 102, and 133.

### **ITU work related to the Internet**

The ITU has a wide range of activities that address the Internet, although it is the opinion of ICC members that the ITU lacks direct authority and responsibility for many of these issues at this time. It is ICC's view that the resolutions that have been agreed to and the Council-approved work was intended to be educational in nature and should be focused on collaboration with responsible bodies.

However, some within the ITU have taken to a broader interpretation of the Resolutions and the Council's directions. To date, very limited sector member input has taken place on these issues. ICC acknowledges that the discussion is complicated by the interest of some Sector Members in using the ITU as a "one stop" shop for technical standards for all networks, including the next generation IP networks. While this may have confused the discussions so far, ICC believes that there is a simple path forward. Given that Internet and web standards are developed in other competent organizations, ITU should seek to develop a spirit of coexistence with non-governmental organizations such as the Internet Engineering Task Force (IETF), W3C and ICANN.

### **IP Policy Manual**

The 2003 meeting of Council endorsed Resolution 101, 102 and 133, and expressed full support for ITU initiatives to date. It also endorsed a proposal by several countries in the ITU-T and ITU-D to develop an IP Policy Manual.

The purpose of the manual is to advise Member States broadly on issues related to IP-based networks, including management of Internet domain names and IP addressing. The recommendation for the manual was agreed to at Council, where Sector Members have no voice. While US companies are able to provide input to the process via the US Government's preparatory process, Internet experts from other countries have had limited awareness of this process and have been unable to contribute fully. Given that the expertise for Internet Protocol is external to the ITU's base of experts, it is really essential for the ITU, to maintain its credibility as a source of expert information to seek to work in a more collaborative manner with external experts.

### **World Telecommunication Development Conference (WTDC)**

The World Telecommunication Development Conference (WTDC) Istanbul Action Plan (Program 3), as well as a number of follow-up symposia and seminars (Kigali Declaration and Moscow Declaration), strongly supported heightened government efforts (Member States) to pay "particular and urgent" attention to the issue of allocation/ assignment of Internet names and addresses. Further, the July 2003 Kigali Declaration strongly recommended "that the ITU engages itself in the establishment of an international framework that fully recognizes the sovereign and legitimate interests of all ITU Member States." The ITU-D is continuing to organize meetings, and symposia around these issues.

### **ITU-T Study Group 2 ENUM Work**

Telephone Number Mapping (ENUM) is an IETF protocol that allows numbers from the international public telecommunications-numbering plan (ITU-T Recommendation E.164) to be mapped to other user identifiers (e.g. IP addresses) using the Domain Name System (DNS) for the purpose of identifying and finding network resources. It has received close attention from ITU Member States, due to its potential impact on national policy and/or legislative frameworks. A draft ITU-T Recommendation is under preparation. Trials are already underway in many countries. The ENUM issue is viewed by many as a success story in the collaboration of the IETF's IAB and the ITU. The global ENUM DNS database is administered by RIPE Network Coordination Centre (RIPE-NCC) as part of this process.

There are other historical initiatives that deserve examination.

### **ITU World Telecommunications Policy Forum (WTPF)**

Opinion A of the March 2001 ITU World Telecommunications Policy Forum (WTPF) invited:

- “1) Member States and Sector Members to consider the possibility of the introduction and deployment of IP technologies and IP applications, including the exchange of information;
- “2) . . . Member States to review their current regulatory frameworks with a view to:
  - i) encouraging investment, spurring innovation and advancing development;
  - ii) achieving public policy goals in the context of a converged communication services environment;
  - iii) considering the possibility of opening their communication services market with respect to IP Telephony by adopting a competition-oriented approach in order to achieve clearly defined public policy goals, taking into account, among other things, the concept of technology neutrality for fully-substitutable services.”

### **ITU Workshops**

Examples of outreach/awareness events sponsored by the ITU, and with direct relevance to the Internet are four workshops:

- i. **Workshop on Internet Governance**, held under the SPU's New Initiatives Program (17-26 February 2004). The overall objective of the workshop was to contribute input to the relevant decision-making bodies within the ITU on the WSIS Working Group on Internet Governance. The workshop spent a considerable amount of time discussing whether and how “Internet governance” should be defined. It also discussed whether the management of the Internet's name and numbers system is more appropriately deemed to be coordination and administration, rather than governance per se.

There was no agreement on these issues. Experts at the Workshop agreed that many organizations are involved in “Internet governance” and the work of those existing bodies should not be duplicated. The ITU Council discussed ongoing work of the SPU in this area and supported a closer review and approval process for the SPU's activities.

- ii. **Workshop on Country-Code Top-Level Domains (ccTLDs), organized by ITU staff**, hosted in Geneva, 2003. Sector members worked with the ICANN community to promote participation, and to encourage have balanced panels. In the end, the outcome was an informational session, and the call for further such events to be coordinated jointly by ICANN and the ITU.
- iii. **Workshop on ccTLDs, jointly organized and sponsored by ICANN and the ITU**, (July 2004 Malaysia). Attended by over 30 governmental members, and a large delegation of other ICANN stakeholders, the session was informational in nature and demonstrated an effort at collaboration between ICANN and the ITU.
- iv. **ITU Workshop on SPAM**, (July 2004, Geneva). The Chairman of that Workshop noted that the attendees seemed to agree that “no ‘silver bullet’ or consensus emerging on the right way forward, as not one solution alone will curb spam”. A multi-pronged approach to solving the problem, involving all stakeholders, is clearly necessary. The combination of technical solutions, user awareness, appropriate and balanced legislation followed up with measured enforcement, industry initiatives including those by the marketing community, and international cooperation, are seen as key elements.

**Future workshops.** The ITU staff is planning further workshops and events. ITU’s meetings are open to attendance by all sector members; however it is not clear where and how such events are decided, and how sector members participate in their planning, or how panelists are chosen. In some of these meetings, it has been customary for the ITU staff to draft the outcomes paper for the meeting before the meeting actually occurs so that it can be efficiently accepted at the end of the meeting. In two of the meetings mentioned above, ITU staff presented a pre-prepared outcome statement at the end of the meeting, but the business community in attendance objected. In any further workshops, changes are essential in both including sector members broadly in input to planning such workshops and in gaining the agreement of the attendees to meeting outcomes documents, if the sector members are to find a neutral, collaborative environment for their participation.

#### **Other ways that the ITU participates in the Internet**

The ITU-T is continuing to participate in the ICANN Technical Liaison Group, of which the ITU-T is a member. This group advises the ICANN board directly. Representatives of the Strategic Policy Unit (SPU), the Telecommunications Standardization Bureau (TSB) attend the ICANN Government Advisory Committee (GAC) meetings. At this time, a consultant retained by the ITU is the sitting advisor on the ICANN board, representing the Technical Liaison Group.

At the ICANN Rome 2004 meeting, after lengthy discussion in previous meetings, the GAC initiated a process to amend its operating rules of procedure, changing the status of intergovernmental organizations (e.g. OECD, ITU, WIPO, EC, and WTO) from members to observers. This was approved by the GAC in July 2004 at its meeting in Kuala Lumpur. The ITU staff has disassociated itself from this effort, although OECD and WIPO personnel have been cooperative and supportive of the change from member to observer. Attendance at the GAC remains open to the ITU.