ASIA-PACIFIC ECONOMIC COOPERATION
Telecommunications and Information Working Group

TWENTY FOURTH MEETING
(TEL 24)

CHAIR'S REPORT

17 – 21 September 2001,

Jeju, Republic of Korea

TWENTY-FOURTH MEETING of the APEC WORKING GROUP ON TELECOMMUNICATIONS AND INFORMATION

CHAIR'S REPORT

INTRODUCTION

The twenty-fourth meeting of the Asia Pacific Economic Co-operation (APEC) Working Group on Telecommunications and Information (TEL) was held in Jeju, Republic of Korea, from 17 – 21 September 2001. Sixteen economies of the APEC region were represented, including Australia; Canada; People's Republic of China, Hong Kong China; Indonesia; Japan; Republic of Korea; Malaysia; New Zealand; Phillipines; Russia; Singapore; Chinese Taipei; Thailand; USA and Vietnam. Also attending were the Director (Program) of the APEC Secretariat, Observers from the Pacific Economic Co-operation Council (PECC); and representatives of four Guests (APLAC, APT, AOEMA, and INTUG).

Mr Richard Thwaites of Australia chaired the meeting.

A   AGENDA

The Agenda for the meeting is at Annex A.

The TEL was preceded by a number of workshops, seminars and Task Force Meetings. The program of all the associated meetings of the TEL is contained in Annex B.

OPENING OF TEL 24

The 24rd Meeting of the APEC Telecommunications and Information Working Group was officially opened on the morning of 19 September 2001 by His Excellency Dr Seungtaik Yang, Minister for Information and Communication, Republic of Korea, who welcomed delegates to Jeju. The Minister noted that APEC member economies are facing a great challenge in the form of a worldwide recession of the information technology industry, which calls for firm policy cooperation. Governments have a vital role in mitigating the effect of such recession, by stimulating regulatory reform, encouraging demand for IT, and by efforts to bridge the digital divide. A full copy of Minister Yang's speech is provided in document PLEN/16.

B.   Opening Remarks

In his opening remarks, the TEL Chair thanked Minister Yang and the Korean hosts of the meeting, noting that it was an honour for Australia to be taking up the Chair of TEL. He then noted that the TEL was meeting in the shadow of the recent tragic events in the United States which had shocked and engaged the attention of the whole world. Many delegates had been prevented from attending and many had been personally affected. The Chair then asked the meeting to pause for a minute's silence in consideration of those who have lost their lives in this tragedy, including citizens of many of the TEL member economies, especially the United States. The Chair then asked Mr Joe Richardson, the USA Head of Delegation, to convey the thoughts and wishes of the TEL to the government of his economy.

The Chair noted that what holds TEL members together is the spirit of cooperation for mutual benefit, and that it is this spirit which is TEL's contribution to reducing the sense of injustice which can threaten our world, as demonstrated so violently in recent days. He then outlined the key tasks for the TEL at the meeting, including the selection of new Deputy Convenors for Steering Groups, finalisation of the TEL contributions to the forthcoming Economic Leaders Meeting, and development of the agenda for the fifth Ministerial Meeting on Telecommunications and Information.

In taking up the office of Chair, Mr Thwaites noted that the TEL has generated several important statements of policy principles that have provided the general direction for the work of the group. From this point on the work of the TEL would be judged largely on whether the implementation of those principles delivers concrete results. The Chair asked all members to emphasize practical implementation when considering and prioritising future work.

Finally, The Chair noted that the TEL must think seriously about current and future methods of working electronically, and welcomed any ideas from delegates on ways to improve the way the group works and exchanges ideas.

The Head of Delegation from the United States thanked the Chair for his expression of condolence on behalf of the US, and also expressed condolence for loss experienced in the tragedy by other member economies.

C.   APEC REPORTS

The Chair invited the Director (Program), APEC Secretariat, Mr Chutintorn Gongsakdi to provide an overview on APEC issues. Document PLEN/6 refers. In relation to Agenda sub-items C.i, iii, and iv Mr Gongsakdi noted that several key deliverables for the year need to be dealt with by the TEL at this meeting.

- The **e-APEC Strategy** has been developed as a means of helping APEC members to embrace the ICT revolution and prepare for the New Economy. He noted that the Chair of the e-APEC Strategy Taskforce, Mr Chen Yin of China, was present at the TEL as a member of the Chinese delegation.
- The **review of the Osaka Action Agenda** required completion. Mr Gongsakdi reminded the TEL that the OAA was adopted in 1995, and consist of two parts: Trade and Investment Liberalisation, and Economic and Technical cooperation. The current review is an opportunity to renew and refresh the OAA to assist in leading APEC members to Bogor Goals of free and open trade and investment by 2010 and 2020. The review is also an opportunity for TEL to contribute to the **APEC Ministerial Meeting Joint Statement** – however, Mr Gongsakdi stressed that this is not an opportunity for new input, but to comment upon **Key Elements** relevant to the TEL.
- The **Shanghai Accord** is another possible deliverable of the 2001 APEC Year, which will possibly be annexed to the Leaders' Statement. The Agreement will incorporate agreed initiatives as a sign that APEC is still vital in trade and investment liberalisation and facilitation. The document is still under development

The Director (Program) noted that it is important to remember that TEL is accountable to the SOM and to Leaders. APEC works best when fora work in collaboration to achieve best

outcomes. He encouraged delegates to contact the APEC Secretariat for any assistance on such issues, not just for assistance in developing projects.

(i) SOM II and SOM III

    (a) Key Elements of the Joint Ministerial Statement for the 13th APEC Ministerial Meeting

The Chair drew the attention of delegates to a letter that he had recently received from the APEC SOM Chair inviting TEL comment and suggested language for the Key Elements for the Joint Ministerial Statement. (Document PLEN/11). He noted that the Key Elements relevant to TEL all fall under the heading of e-APEC.

The Chair invited the Chair of the e-APEC Taskforce Mr Chen Yin to outline the context of the e-APEC Strategy. The Strategy is one of the major deliverables of the APEC Leaders Meeting. The purpose of the Strategy is to develop the Action Agenda for the New Economy.

The Chair then invited discussion on an appropriate TEL response on the Key Elements. After discussion, the following proposed additional text for the Strategy was adopted by the Plenary, to be conveyed by the TEL Chair to the SOM Chair:

> *"[Ministers] welcome the continuing work by TELWG on ICT development and market liberalisation, for the creation of an environment in the APEC region for the realisation of digital opportunities, and pursuing the security of information infrastructure and networks."*

    (b) Input to the Leaders Statement Proposed by the eSecurity Taskforce.

Document PLEN/15 refers. The Chair of the eSecurity Taskgroup clarified the need for this statement, and noted that Minister Yang had devoted significant time in his opening speech to information security issues. This proposal had been drafted by drafting group to which all economies had been invited to contribute.

The delegate of Malaysia suggested the inclusion of wording on the use of false and malicious use of information, noting that these concerns fit within the term "protect domestic information infrastructure and networks" in the proposed text. The Chair suggested that this topic needs a separate discussion and proposal, to be considered separately from the technical security issues.

The meeting then agreed to proposed some additional text for inclusion in the Leaders' Statement, as follows:

> *"Leaders agreed to take action to protect domestic information infrastructure and networks and to cooperate on a regional basis. Leaders endorsed the work to prepare a report to APEC Telecommunications and Information Ministers of actions taken by economies in response to the issues raised in United Nations General Assembly Resolution 55/63, Combating the Criminal Misuse of Information Technologies. Leaders encouraged continuation of work on electronic authentication, which is a significant tool to secure information infrastructure and networks as well as supporting global electronic commerce. Noting the global*

dimension of threats to information infrastructure and networks, Leaders encouraged cooperation with other global organizations."

(ii)   e-APEC Strategy

(a) Revised input to the e-APEC Strategy Proposed by the e-Security Taskforce.

The Chair of the e-Security Task Group then spoke to a further document from this Task Group, proposing amendments to the e-APEC Strategy. Document PLEN/15 also refers. The TEL Chair sought comment on the procedure for amendments to this section of the e-APEC Strategy document. After advice from e-APEC Chair Mr Chen Yin, the meeting agreed the TEL Chair should forward the proposed amendments to the Chair of e-APEC and to the Co-Vice chairs (Australia and USA) for their consideration.

(iii) Budget and Management Committee

Mr Gongsakdi reported that this year the Budget and Management Committee have agreed to a funding cap at US$2 million – some of this will fund an APEC Communications and Outreach Strategy. In this context, the Chair re-emphasised the need for prioritisation of TEL projects, and asked Steering Groups to prioritise project proposals prior to the final Plenary. He also noted that TEL has one of the highest numbers of self funded projects of all Working Groups.

(iv)   Review of Osaka Action Agenda

The Plenary then considered a draft of input to the review of Part I of the Osaka Action Agenda. Plenary (Document PLEN/20). After discussion, the Chair referred drafting of this section of the document to the Liberalisation Steering Group.

In reporting back to the Plenary, the Acting LSG Convenor explained that an LSG drafting group had first combined the second and third versions contained in PLEN/20, and then sought points of common agreement in that text. The group then reviewed the words of the Cancun Declaration and concluded that these words accurately conveyed the intent of TEL Ministers and could not be improved upon. This statement was thus combined with the points of common agreement arising from the second statement, to arrive at the proposed wording.

"In accordance with the Cancun Declaration, APEC economies will:
a.   Work to bridge the digital divide at the domestic, regional and global levels, and to cooperate and collaborate with the business/private sector in this effort.
b.   Foster discussion between business/private sector and governments on appropriate means to assess and reward the value of products and services exchanged in the provision of converged Internet services among APEC economies, consistent with the APEC Principles on International Charging Arrangements for Internet Services.
c.   Foster the development of effective policies that support competitive markets in the domestic and international telecommunications and information industries.

> d.   *Accelerate the pace of implementation of the Mutual Recognition Arrangement on Conformity Assessment for Telecommunications Equipment (MRA)*
> e.   *Work to ensure that policy and regulatory environments better foster the uptake of e-commerce.*
> f.   *Implement within voluntary time frames the APEC Interconnection Principles and consult on the need for further discussions on interconnection.*
> g.   *Give attention to user requirements for open standards and systems to support interoperability.*

In addition, APEC economies are encouraged to conform, where appropriate, to:
> 1. *The WTO Telecommunications Regulatory Principles Reference Paper;*
> 2. *The Information Technology Agreement (ITA);*
> 3. *The Guidelines for Trade in International Value-Added Network Services (IVANS)."*

The TEL Chair noted that these words are the result of extensive drafting. As there was no dissent from the meeting as to the proposed wording, these words were adopted.

TEL input to the review of Part II – Joint Activities/Dialogue and the Annexe of the OAA was then discussed. After discussion, the following amendments were adopted to this section of the document:

> *"(j) Work to encourage universal access to internet services, to bridge the digital divide at the domestic, regional and global levels and to cooperate and collaborate with the business/private sector in this effort.*
> *(k) Encourage the testing and dissemination of new technologies to achieve the APII."*

The meeting agreed that these proposed amendments would be forwarded to the Chair of the Ecotech Sub Committee on behalf of the TEL.

<u>Shanghai Accord</u>

The Head of Delegation from the United States (Mr Richardson) then drew attention to the current draft of the Shanghai Accord. APEC economies need now to consider an initiative to accelerate implementation of trade policies that will promote the faster development of Internet infrastructure, connectivity, content and the software industry. Mr Richardson welcomed informal comments on this initiative during the TEL meeting and asked delegates to consult with their Trade Ministries in their home economies regarding this issue.

D. PECC-APEC Dialogue

The Chair invited the new PECC representative, Mr Ramesh Nadarajah from Malaysia, to make a statement on behalf of PECC. Mr Nadarajah explained that Malaysia has only recently taken over the role of PECC Coordinator for the TEL. He noted that he intends to take the role as seriously as did his predecessor Ms Janet Pearce Stenzel. He has sought the thoughts and feedback of members as to PECC's role in TEL. The Chair noted that the relationship with PECC is an important and fruitful one and looked forward to future collaboration.

The Chair also noted presence of INTUG as a Guest for the first time (its membership having been approved by APEC SOM since TEL 23) and welcomed the INTUG delegate Mr Ernie Newman. Mr Newman noted that INTUG speaks entirely from the user standpoint, and with members in most APEC member economies, INTUG looks forward to having a useful role in the TEL from that perspective.

E. Discussion Process for Selecting new Deputy Steering Group Convenors

The Chair drew the attention of the Plenary to the need to elect Deputy Convenors of Steering Groups at this meeting. He noted that the TEL needs to retain flexibility in managing Steering Groups, and suggested that TEL might consider nominating more than one Deputy Steering Group Convenor. This would overcome the problem that arises when member economies rotate staff regularly, thus losing continuity between Deputies and Convenors. He also noted that the needs of a Steering Group can change over time.
He noted also that it is not desirable that responsibility for leading Steering Groups be concentrated in just a few economies, or that economies with less resources feel discouraged from involvement in leading Steering Groups. He would be seeking the views of all Heads of Delegation on this matter during the meeting.

When the Plenary reconvened on Friday, the Chair reported that he had met with all Heads of Delegations present at TEL 24, and that there was a strong consensus in support of the option for more than one Deputy Convenor. The Chair appreciated that a number of economies were prepared to be flexible regarding the Steering Group in which they would like to take responsibility. The Chair expressed his appreciation to all Heads of Delegation for their cooperation on this issue, in the collegiate manner in which TEL works.

The Chair announced the accession of new Steering Group Convenors, following TEL 24, as follows:

BFSG   Mr Eiji Makiguchi, Japan
DCSG   Dr Arnon Tubtiang, Thailand
HRDSG   Dr Inuk Chung, Korea
LSG   Ms Kathy Fisher, Canada

He then announced that as a result of the consultations with delegation heads, the following economies will take on responsibilities as Deputy Steering Group Convenors, as follows:

BFSG   Korea.
DCSG   Russian Federation, USA.
HRD   Malaysia, Chinese Taipei
LSG   Australia, Indonesia

The Chair indicated that consultation will remain open on the question of a second Deputy Convenor for BFSG, noting that the Latin American TEL members had not been able to be present at TEL 24. The Chair will consult with representatives of these economies as to whether any wish to take on this role.

The Chair noted that the TEL has great pool of talent in the Steering Groups. The meeting then acknowledged the contributions of outgoing Convenors and incoming Convenors and Deputy Convenors with applause.

F. Steering Group Meetings and Reports

1. Business Facilitation Steering Group Meeting (BFSG)

The BFSG Convenor tabled his report of the meeting (Document PLEN/25) and spoke to the key points. A full copy of the report can be found at <u>Annexe C</u> of this document.
At the end of his report, he welcomed the incoming BFSG Convenor, Mr Makiguchi from Japan. He then invited the Chair of the e-Security Taskforce to speak to three items referred by the e STG through the BFSG to Plenary for discussion and endorsement:

- TEL/APEC membership of the PKI Forum (refer PLEN/25 page 3, item C (1)). In order to gain observer status of the Forum, TEL is required to sign a confidentiality agreement enabling members to share unpublished material. The APEC Secretariat has recommended that this issue be referred to TEL Plenary for endorsement. The Director (Program), APEC Secretariat noted that, as membership is forum to forum, membership of the PKIF will be entered into as APEC, by the Secretariat.

    - The meeting then **recommended** that the APEC Secretariat negotiate the signing of the confidentiality agreement and apply for observer status of the PKI Forum.

- As the proposal to BMC for funding to update and publish a collection of electronic authentication issues papers had failed due to lack of funds, BFSG agreed that other funding support, including sponsorship, should be sought. (refer PLEN/25, page 3, item C (2)).

- BFSG supported the proposal for TEL participation in a PKI Interoperability Pilot project. Participation would be entirely voluntary and would apply only where members could obtain certificates from a vendor in their own economy. (Document PLEN/25, page 4, item C (3)).

The meeting endorsed these proposals.

The eSTG Chair reported that he would be drafting a Report to Leaders on Information Security for circulation to Points of Contact for support and input.

Mr Jurng, Korea, brought attention of the meeting to Korea's intention to host a High Level APEC Symposium on promoting e-Government in Seoul in the second quarter of 2002. Korea welcomes TEL input to the Symposium, to assist in implementing the e-APEC Strategy. (Document BFSG/02 refers).

The BFSG report was adopted.

2. Development Cooperation Steering Group Meeting (DCSG)

The DCSG Convenor spoke to the draft report of the meeting. (Document PLEN/27 <u>Annexe D</u> to this report). After outlining the key outcomes of the meeting, the DCSG Convenor invited Deputy DCSG Convenor Dr Arnon Tubtiang to speak to the Draft Response of the TEL to the Leaders' Declaration – Brunei Darusalam – and Ministers' Cancun Declaration

concerning Internet Access, Bridging the Digital Divide and Skills Shortages. (Attachment C-1 to PLEN/27 refers).

Dr Arnon noted that this document is an interim response to the Leaders Declaration 2000 and the Minsters' Cancun Declaration. He would circulate this draft response to Points of Contact for comment immediately, with a deadline for input of 5 October 2001. The final consensus will then be conveyed to the TEL Chair's Office for input to the forthcoming Leaders Meeting.

Dr Arnon also reported on work on updating Draft Digital Divide Blueprint for Action. A voluntary team will be established, working via e-mail, to finalise the Blueprint.

The DCSG Report was adopted.

3. Human Resource Development Steering Group Meeting (HRDSG)

The HRDSG Convenor spoke to the draft report of the meeting. Document PLEN/28 refers, and can be found at <u>Annexe E</u> to this document.

The Convenor reported that the HRDSG has proposed that a seminar on the development of project and workshop proposals be held at TEL 25.

The HRDSG report was adopted.

4. Liberalisation Steering Group Meeting (LSG)

The Acting Convenor of the Liberalisation Steering Group, Mr Joe Richardson, USA, presented the draft LSG report. Document PLEN/24 refers and a full copy of the report can be found as <u>Annexe F</u> to this document.

The Acting Convenor further reported that the LSG proposes that a Regulators Roundtable be held in conjunction with TEL 25 with the level of participation by regulators to be decided at a later date. The Head of Delegation from Singapore reported on discussions with Australia on the possibility of merging the Roundtable with the Regulatory Structures workshop to be held at TEL 25. It was agreed that useful interaction would arise from the conjunction of these activities.

The LSG Report was adopted by the meeting. The TEL Chair thanked Mr Richardson for stepping in at short notice in absence of the LSG Convenor and Deputy Convenor on this occasion. The Chair asked Mr Richardson to convey regards of the TEL to Ms Irene Wu, the retiring Convenor, who had not been able to be present.

5. Internet Issues Task Group

The Task Group Convenor Ms Salma Jalife had been unable to travel to the meeting and had asked the TEL Chair to act as IITG Chair in her absence and to chair the Workshop. TEL Chair provided a summary of the IITG meeting (Document PLEN/29). During the Plenary meeting, a report was received via email from the IITG Convenor on the work of the IITG since TEL23, and this was read to the meeting by the TEL Chair and noted for inclusion in the record of the Internet Issues Task Group.

The Plenary agreed that a combined report would be provided for the TEL Chair's report, in consultation with the IITG Chair. The resulting combined report is <u>Annexe G</u> to this report.

H.   Discussion/Approval of New Project Proposals/Priority Setting

There were no proposals for projects seeking either funding from either the APEC Central fund or TILF fund. The Chair noted that many proposals for funding are foreshadowed for TEL 25.

Time at TEL 25 for the following seminars/workshops was also requested:

Steering Group	Subject	Time requested	Status
BFSG	Electronic security	1 day	Approved
HRDSG	Project and workshop development skills	½ day	Approved
BFSG	e-Commerce Law	2 days (but not during same days as TEL)	Approved
DCSG	Third Digital Divide workshop (On Under-Served Areas)	½ day	Approved
LSG	Convergence Roundtable/ Regulatory Structures workshop*	1 day	Approved
LSG	MRA Taskforce	1 day	Approved
LSG	MRA Joint Committee	½ day	Approved

The Plenary agreed that the Chair's office, the hosts of TEL 25 (Vietnam) and proponents of seminars/worskhops would continue to consult on whether the Convergence Roundtable and Regulatory Structures workshops might be combined in a one-day workshop.

H. Presentations by Economies of their Recent Regulatory and Policy Developments

Copies of the full text of each economy's presentation can be found on the APEC TEL and TEL 24 web sites. (www.apectelwg.org and www.apectel24.org)

I. Brief Voluntary Statements by Observers and Guests

Pacific Economic Cooperation Council

Plenary document PLEN/32 refers. The PECC representative, Mr Nadarajah, stated that the two areas of TEL work in bridging the digital divide and e-Security are even more critical today, so PECC will participate even more actively on these issues. He expressed his appreciation to TEL members for their support and encouragement.
The Chair responded with the observation that PECC's role in TEL is always highly appreciated.
Asia-Oceania Electronic Messaging Association

The AOEMA representative noted that the organisation is pleased to work with the TEL achieve our shared goals. He noted that the recent AOEMA report on Good Practice in e-

Commerce represents the organisations' view of what is required for the development of e-Commerce in the future.

Asia-Pacific Telecommunity

The APT representative noted that collaboration between APEC and APT is important for enhancing cooperation in the region.

J. Discussion of Future Meetings – TEL 25 and TELMIN 5

<u>TEL 25</u>

Chair called on the Head of Delegation from Vietnam, Deputy Secretary-General Lai, to provide information on preparations for TEL 25, to be held in Hanoi in March 2002. Mr Lai told delegates that the Government of Vietnam is very happy to host the meeting and he invited all delegates to Hanoi in March.

The Chair thanked Vietnam for the kind invitation and noted that all TEL members are looking forward very much to TEL 25. The TEL has full confidence in the preparations for the meeting and noted that the Chair's Office, the APEC Secretariat and TEL members will give all possible support to the meeting organisers. At least one half day is required at TEL 25 for a Senior Officials Meeting prior to TELMIN 5. The Chair noted that the program should aim to include the Senior Officials' meeting within the 3 days of TEL meetings, if possible.

<u>TELMIN 5</u>

The TEL Chair then invited the Head of Delegation from China, Mr Qu, to speak on preparations for TELMIN 5. (Document PLEN/23) TELMIN 5 is planned to be held in Shanghai, China during May 27/31, 2002. The proposed theme for the meeting is "Leveraging Digital Opportunities to Promote Common Development". China proposes the following subjects for discussion during the meeting:

1. Infrastructure Development;
2. Policy Environment
3. Human Resources and Capacity Building
4. Strengthening Regional Cooperation

The Chair thanked the hosts of TELMIN 5 for their warm invitation. He noted that the introductory paper is very helpful in commencing planning for the meeting and in developing an effective agenda. He noted that ideas and suggestions for the meeting would be welcomed if sent via email to China. China will distribute relevant documents prior to TEL 25 for consideration by Senior Officials.

K. Other Business

      (i)   **Consideration of Application from Macao, China for Guest Status in TEL.**

Document PLEN/10 refers. The Director, Program noted that the matter of guest membership in TEL requires consensus in the TEL, which is then transmitted to the Senior Officials Meeting (SOM) for agreement. Guest Status for Macao, China in another five Working Groups has already been endorsed by the SOM. The Chair invited comment on the application. Without comment, the TEL **agreed** to admit Macao, China as a Guest.

(ii)   High Level Symposium on promoting e-Government.

Document BFSG/02 refers. The TEL welcomed Korea's initiative to develop high-level discussions on e-Government among APEC members, and encouraged members to support Korea in developing an effective format and agenda, taking into account the timing of related meetings.

L. Review and Adoption of Chair's Report

The Chair informed the meeting that a first draft of the Chair's report will be circulated electronically to all TEL points of contact.

The Chair then remarked that all members greatly appreciated the tremendous effort taken to enable the TEL to meet successfully on this occasion. The efforts of all, especially the Korean host economy and those who had needed to fill in for absent persons, was acknowledged with applause from the meeting.

The Chair then declared the meeting closed.

AGENDA

A. Review and Adoption of Agenda

B. Opening Remarks.

Chair

C. APEC Reports
      (i)   SOM II AND SOM III
              (a) Key Elements of the Joint Ministerial Statement for the 13th APEC Ministerial Meeting
              (b) Input to the Leaders Statement Proposed by the eSecurity Taskforce
      (ii)   E-APEC Strategy
              (a) Revised Input to E-APEC Strategy Proposed by the eSecurity Taskforce
      (iii)   BMC
      (iv)   Review of Osaka Action Agenda

Director, Program, APEC Secretariat

D. PECC-APEC Dialogue

E. Discussion Process for Selecting new Deputy Steering Group Convenors

Chair

F. Steering Group and Task Group Meetings and Reports

      1.   Business Facilitation Steering Group Meeting (BFSG)

      2.   Development Co-operation Steering Group Meeting (DCSG)

      3.   Human Resource Development Steering Group Meeting (HRDSG)

      4.   Liberalisation Steering Group Meeting (LSG)

      5.   Internet Issues Task Group (IITG)

Steering Group and Task Group Convenors

G. Discussion/Approval of New Project Proposals/Priority Setting

H. Presentations by Economies of their Recent Regulatory and Policy Developments

I. Brief Voluntary Statements by Observers and Guests

J. Discussion of Future Meetings – TEL 25 and TELMIN 5

K. Other Business
      (i) Consideration of Application from Macau, China for Guest Status in TEL

L. Process for review and Adoption of Chair's Report.

**WORKSHOPS AND SEMINARS
HELD IN CONJUNCTION WITH THE
24TH MEETING OF THE APEC TELECOMMUNICATIONS
AND INFORMATION WORKING GROUP**

Monday 17th September   e-Security Task Group
                                 Internet Issues Task Group

Tuesday 18th September   Digital Divide Workshop
                                 SME Information Technology Workshop
                                 MRA Task Group
                                 e-Korea Forum
                                 Interconnection Resources Workshop

Thursday 20th September   Regulatory Structures Workshop
                                 MRA Joint Committee

BUSINESS FACILITATION STEERING GROUP MEETING

1) Review of the Agenda and BFSG Matrix of activities

The Convenor, Mr Colin Oliver, welcomed participants. He briefly discussed the context of the meeting and the work for the BFSG.

The Convenor introduced the draft agenda (TELWG24/BFSG/01) and made some suggestions on the order of work.

Two wide-ranging reports (on Good Practice and User Requirements for Integration) would be considered early to assist with the consideration of other more specific issues such as e-government and SME activities.

In commenting on the matrix of activities, he noted that it had proved to be a very useful and relatively stable framework for presenting the work of the TEL on electronic commerce related issues since 1998.   This had remained the case even when the number of APEC activities related to e-commerce had multiplied rapidly over the last few years, creating a situation in which it was necessary for economies to be selective about how many meetings, and how much of that activity they were able to support.

He called upon members of the BFSG at this meeting to take advantage of the opportunity presented by some major reports coming to the meeting and to take a strategic approach to the setting of priorities. It was important to think about how the BFSG could best add value to the e-commerce work of APEC which was becoming both dispersed, and increasingly 'mainstream' business for many economic sectors and many APEC working groups and coordinating committees.

2) Discussion of Issues Raised for BFSG in

SME IT Planning and Management Workshop
In addition to topics to be covered in the BFSG agenda, the OECD Privacy tool presented by Canada was an item of special interest.
Digital Divide Workshop
Canada noted that BFSG could take an interest in the need to form linkages with other International fora.

3) Project Reports:

a) Electronic Commerce Good Practice in the APEC region (AOEMA)
AOEMA introduced document TEL24/BFSG/5 and 6. (To view the report on the web in pdf format go to http://www.aoema.org/good.htm).
At TEL 22 AOEMA proposed a project to review existing research on the adoption of EC, to identify a list of impediments agreed to globally and to highlight successful business models for SMEs and offer case studies for micro businesses (less than 20 employees)
A short presentation from AOEMA outlined the main findings including

- the high level of consistency in international findings regarding barriers to e-commerce for SMEs, *ie*.
  - **Access** to reliable infrastructure
  - **Knowledge and skills** including understanding of viable business models
  - **Trust and confidence,** especially where government s and business partners are not online
  - **Language**
  - **Security** of electronic transactions.
  - **Legislation** and related legal and regulatory issues
  - **Financial**: access to safe and reliable payment systems, and
- a range of case studies showing how SMEs had succeeded (or not) in overcoming these barriers.

AOEMA was warmly commended for their work, and several comments emphasised the value of making this information available on the web, providing links to and from key points of interest, especially for SME enablement.

Overall, there was encouragement for AOEMA to continue this into a second generation to help SMEs, promotion bodies and governments. More case studies could be invited. Modules could be defined to make it more useful as a central resource.

The Convenor also stressed the value of the key policy issues in the first part of the report, which provided a valuable resource for governments and other institutions.

b) Study of User Requirements for the Integration of E-commerce Systems in the APEC Region (Australia)

Australia introduced document TEL24/BFSG/4 and 11. John Colton, from CSIRO provided an overview of the report which provided both a broad consolidation of issues relating to e-commerce integration and a snapshot of a number of standards and technology issues that should be considered for integrated systems being developed in government and business environments.

Discussion included comments on
- the continuing relevance of EDI
- the need for caution with PKI, and
- the need to consider issues such as insurance.

Further discussion highlighted the difficulty of presenting in one place a comprehensive and up to date review of all the issues, and noted that the work is a pioneering effort that would be helpful in the forward agenda of APEC.

It was noted that different audiences would come to the material with different needs. For example, it presented issues that were relevant for development of e-government systems, and also for SMEs, but each would make a different selection of key issues. The report drew attention to the continuing need for skilled and sometimes costly support and suggested approaches such as community self-help networks that could be encouraged.

It was agreed the material should be made accessible to the SME organisations and others with an interest in the issues. A list of suggested action points were considered and accepted as worth pursuing. In particular, actions APEC Members can consider include:
- Ensure that efforts to develop electronic transaction services for e-government support business and international efforts

toward interoperability, using the information and framework contained in the report;

- Governments should consider the cost-benefit impact on smaller businesses that their e-business adoption strategies will have. For example, small business should not be obliged to adopt technologies that are costly, incompatible with their current infrastructure, or with capabilities beyond their basic needs.
- Encourage involvement of well-informed business users as well as technology providers who can be engaged in the assessment of priorities for development of electronic business and government systems.
- Encourage independent sources of advice for technology evaluation.

BFSG also agreed that

- APEC TEL should continue to support work focussed on cross-border interoperability for B2B activity in the region.
- APEC TEL can convey this report - and the AOEMA report on good practice - to other APEC groups that need to be aware of the issues (such as E-Commerce Steering Group, the Working Group on Electronic Financial Transactions, the Transportation WG, Customs Sub-committee, and others).
- APEC TEL could consider other ways to ensure that information sharing on interoperability issues continues. It is desirable that technology suppliers and business users should be engaged in ongoing discussions in APEC TEL with support, where possible, from independent experts to assist APEC members in their ongoing assessment of the issues.
- APEC TEL could also explore ways to share its work more widely with other international bodies working in this area.

c) eSecurity Task Group

The chair of the eSTG introduced document TEL24/BFSG/18 (underlined attached to this report) and outlined the business of the meeting in which the first half day was devoted to critical information infrastructure protection and the second half to electronic authentication.

Special attention was given to infrastructure security issues and input provided direct to Plenary on a possible contribution to the APEC Leaders statement. Other items of particular interest included PKI interoperability and how to overcome problems that can arise from disparate legal systems. It was necessary to continue to work closely with US and European groups in the field.

Three items were referred to BFSG for endorsement.
1) Observer status at the PKI Forum. BFSG **agreed** that TEL should recommend the Secretariat negotiating and signing an agreement with the PKI Forum, affirming that APEC would comply with the need to protect the intellectual property in the exchange of unpublished material provided by the PKI Forum. This is a condition of the acceptance of APEC observership in PKI Forum activities. Exchange of information only is proposed not attendance at each other's meetings. The BFSG noted that this would require care in the treatment of such materials.

2) Publication of Electronic Authentication Issues Papers. BFSG noted that the approved project to update and publish a consolidation of the papers had failed only for lack of funds. It was **agreed** that support from other avenues, including sponsorship, should be sought.
3) APEC PKI Interoperability Project. BFSG **supported** the proposal for voluntary participation in a pilot in which certificates issued by different vendors could support a trust list-based digital signature system within APEC TEL on a trial basis. It would be entirely voluntary, and would apply only where TEL members could obtain certificates from a vendor in their own economy.

The Chair of the eSTG noted that the "Input to the Leaders Statement" agreed at TEL Plenary had included preparation of a Report to Ministers on economies' responses to United Nations General Assembly Resolution 55/63, "*Combating the Criminal Misuse of Information Systems.*"
Finally the BFSG **agreed** that it would recommend that the Task group be allocated time for a one-day meeting, again half devoted to security matters and half to electronic authentication.

d) Cybernet/INGECEP (Japan)

Japan introduced document TEL24/BFSG/19 and presented the concluding report of this project.
It included Recommendations to be considered in the development of electronic marketplace systems, in the area of
- Consumer protection and Arbitration
- Infrastructure
- Information Sharing and Distribution

The Convenor and others thanked Japan for their work on the project over many years; some noting the importance of the attention given to consumer issues, including practical questions of consumer convenience – an often neglected topic. Japan noted that some of the recommendations were already reflected in e-APEC documentation.
Japan asked that Mr Kobayashi present a further report at the next meeting to cover some outstanding matters relating the evaluation of a 'B2B2C' model that would be completed over the next few months, and this was supported.

e) B2B Agent Project (Korea)

Korea introduced document TEL24/BFSG/8 and reported on the MP2MP model that had been discussed in the interoperability project group meeting on Sunday preceding the TEL. The project is designed to provide SMEs with the opportunity to participate in cross-border markets.
The project was widely supported, and in discussion it was noted that
- Singapore is now an active partner in the project,
- participation was invited by other APEC participants,
- close attention must be paid to costs, overheads and commercial viability, and

- participation from developing economies and from SMEs with low bandwidth opportunities should be encouraged to test the model.

Some delegations discussed the role of governments, stressing the leading role of the private sector and the inability of governments to accept any material burden associated with such a project. On the other hand, the Convenor pointed out that governments could provide support by maintaining a dialogue with private sector participants, identifying any legal or other impediments to cross-border operations and ensuring that such issues were examined and resolved. The Convenor thanked Korea for their support for the project.

f) E-commerce Awareness Seminars (AOEMA/Japan)

AOEMA updated the progress of electronic commerce awareness seminars introducing document TEL24/BFSG/15.

The purpose of the seminars under this initiative since TEL12 was to ensure that small businesses in the region understood the impact that electronic commerce will have on them in the near future.

The most recent meetings were held in Thailand, Korea and Sri Lanka with at least 250 registrations in each economy. The next series of meetings will be held in Vietnam. AOEMA noted that details of these workshops would be available on their web site.

The Convenor noted that that importance of the seminars was now recognised and supported widely in APEC.

g) E-commerce Capability Building (Thailand)

Thailand introduced document TEL24/BFSG/9 which reported that TILF funding is available. After the Phase 1 survey a workshop would be held in May 2002 in Thailand.

An RFP had been released for the proposed video, and tenders were being assessed. A decision will be at the secretariat by the end of the September. The video is to be produced between October 2001 and August 2002.

The workshop has been redesigned to better involve people in Thailand and from around the region. The output from this would be a reference document for APEC.

h) TEL web site (Korea)

Korea introduced document TEL24/BFSG/17 which reported that since the last meeting
- TEL23 documents had been transferred to the website
- the url had been changed to www.apectelwg.org
- the internet issues task force virtual forum had been developed
- the web server had been replaced.

Korea noted that they are being asked to balance the needs of both high end and low end users with very different expectations.

Korea would be exploring sponsorship after first preparing some sponsorship guidelines and consulting the oversight committee and points of contact.

APEC members were reminded of the request to make links from their own web sites to the TEL website, noting that a banner could be provided for this purpose.

The Convenor thanked Korea for the report and for the work done to support the web site.
Australia suggested that sponsorship guidelines be augmented by promotional material to attract sponsors.

i) APEC Legal Guide (Convenor)

There is no document for this item. The Convenor reported that the web site remained accessible and that some corrected text had bee provided to Baker & McKenzie on matters of protocol. He encouraged delegates to check their own information and to make use of the material that was available there.

j) SME Database (AOEMA)

AOEMA introduced document TEL24/BFSG/14 which reported that marketplaces were also now being listed on the database and that links to other databases were being explored.   Maintenance is the biggest problem. Anyone wanting to view the information should go to http://my.aoema.org
The Convenor commended AOEMA for their work on this project

k) SME Multilingual International Trade Project (AOEMA)

AOEMA introduced document TEL24/BFSG/16 and reported on the progress of the project with a demonstration of the 'reject and return' process.
The report on the progress of the project was noted. AOEMA and Cyber Tigers propose to further develop the software, named "Tigertalk" and the business transaction procedures by a test phase in the APEC region. They hope to work closely with SMEs to determine exactly what is needed, and it was agreed that APEC economies encourage participation on the part of SMEs.

l) E-commerce in Government (Korea)

Korea introduced document TEL24/BFSG/20.
Korea first introduced this in TEL22.
Australia raised concerns about some inaccuracies in the document and urged that the treatment of digital signature laws be corrected.
As this report is a draft, it will continue to be refined and corrections and additions are invited.
Korea then introduced document TEL24/BFSG/21, providing a case study of e-procurement by government in Korea.
Discussion focussed on the challenges of training government officials involved with developing and using such systems.
Hong Kong asked how WTO rules can be followed if a local digital certificate is required to tender as this might prevent foreign companies from participating. Korea is working on allowing overseas companies to apply for local certificates or present international certificates. Australia, this is the tip of a far greater iceberg with WTO issues and it is being pursued in other fora.
New Zealand noted that e-procurement was relevant to the issue of SMEs becoming more capable.

Korea introduced document TEL24/BFSG/2 in which Korea signalled their intention to host a High Level APEC Symposium on promoting e-government the second quarter of 2002 in Seoul.

The topics of the symposium will include:
- exchange of views on national experiences, policies and cases of best practices
- e-government and trade facilitation
- e-government and transparency
- more effective coordination of work on e-government within APEC
- e-government and implementation of the e-APEC strategy for building a digital society in APEC.

Canada asked that the outputs be shared with the TEL and the ECSG and asked whether input was requested from TEL or from individual economies. Korea would welcome such input on this symposium.

m) E-government Discussion Paper (Convenor)

The Convenor introduced document TEL24/BFSG/7 as a discussion paper to assist the BFSG consider how it could best support the widespread interest of APEC members in developing government online services. It noted the particular priority that APEC was giving to electronic transactions in support of trade.

After some discussion, it was agreed that the BFSG and TEL could contribute in the areas of

- security issues - including making people aware of APEC e-security resources and information on electronic authentication;

- interoperability issues – including integrating government processes with business requirements - for which the report on user needs and the B2B interoperability projects are relevant,

- management issues - including skills required to develop integrated approaches to e-government and to target investments for early success - an issue that links to current HRD SG work to support e-commerce skills standards – and business process re-engineering; and

- the user focus for e-government efforts -- including the use of ICT tools such as metadata to assist users find their way around government web sites, the use of multiple communication channels for contact with businesses and citizens.

In discussion it was suggested that there would be value in bring together various strands of work in BFSG including AOEMA's work on SMEs and Korea's work on e-government. It was suggested that it is too early for an action plan for e-government. If the symposium proceeds, it could help to set the large agenda and map some of the issues.

In conclusion it was agreed that Korea, Australia, Canada, Japan, Chinese Taipei and AOEMA would work on a document with attention focussed especially on security and interoperability issues, and other items close to the BFSG agenda, with a view to developing a contribution to the next meeting and the 2002 symposium. PECC was invited to contribute as appropriate to ensure a strong connection with business priorities.

4) New Project Activity and Future Workshops

a) E-commerce Law Project (Australia/Vietnam)

Australia and Vietnam introduced document TEL24/BFSG/12, which proposed a two-day workshop, linked to the next TEL meeting (which might be offset from the normal meeting schedule), with preparatory work to be done by the Monash University Law Faculty (Centre for Law in the Digital Economy).

A questionnaire had been circulated to stimulate feedback from APEC members regarding the issues that need to be dealt with. Melissa De Zwart from Monash provided further detail and stressed that the seminar would have a practical focus and that she would welcome questions and suggestions on the project.

It was suggested that the questionnaire be e-mailed to facilitate electronic responses. Canada advised that the project was strongly supported by the ECSG. The proposal suggests that ECSG members be invited to participate.

Australia stressed that the focus of the work would be on the needs of developing economies, and that the two day workshop could be offset from the normal TEL meeting program to facilitate attendance at the eSTG meeting by workshop participants.

The proposal is self-funded and was supported by the meeting.

5) Related APEC activities

a) Electronic Commerce Steering Group (ECSG Co-chair)

As co-chair of the ECSG, Peter Ferguson of Canada reported on the seminar and steering group meeting held in China in August.
China will lead the task of developing a Business Alliance proposed at the meeting.
The ECSG supported the initiative with Vietnam on e-commerce legal infrastructure and the SME outreach of AOEMA.
ECSG agreed to hold a forum on Privacy at its next meeting to include experts from various backgrounds.
It was proposed to revise the stock take of APEC e-commerce activities to make it more relevant to business, and to review and update the 1998 Blueprint for Electronic Commerce.

b) Transforming the Digital Divide into a Digital Opportunity Symposium (Chinese Taipei)

A slide presentation provided an overview of the seminar held in July 2001.   All presentations and materials can be obtained from www.seminar.com.tw.   Chinese Taipei encouraged the members of the TEL to actively participate in Phase 2 of the project.

6) Information items

a) OECD discussions on TEL-related issues (Canada, Australia)

Canada reported that OECD guidelines on privacy and security were under review.
The report of E Security Task Group will be sent forward to OECD, reflecting the strong links that now have been established between the two groups
Similarly, the PKI interoperability mapping exercise would help to identify policy and legal barriers to transactions.

b) ICANN-GAC (Australia)

Australia tabled an information paper encouraging contact with the Government Advisory Committee to ICANN.   Japan supported the call for wider participation.
The Convenor reminded delegates to also look to the AOEMA web site for a useful introduction and discussion of the issues on domain names.

7) BFSG Priorities

It was agreed that it was timely to review the priorities and focus of the BFSG in the light of many factors including:
- the growing interest across APEC in matters associated with e-commerce
- the increasing acceptance of electronic methods of working as a mainstream element of work in many economic sectors

- the wide-ranging reports coming to the meeting that had prompted a re-evaluation of priorities
- the discussion of e-government issues that had helped to focus areas where BFSG could most useful contribute
- the variety of structures for policy focus on e-commerce in different APEC economies
- the participation in BFSG by different economies with different priorities.

It was agreed that members needed more time to consider these questions and the meeting agreed with a suggestion from Canada that comments and suggestions on the work program be considered over the coming months and forwarded to the new Convenor.   The matrix of activities could provide a useful focus for this review.

8) BFSG Report to the TEL - Summary of Priorities and Recommendations

After explaining the process for preparing the meeting report, the Convenor expressed his thanks to all participants before handing over the meeting to the incoming Convenor, Eiji Makiguchi of Japan who in turn thanked Colin Oliver and requested the continuing support of BFSG members.   The meeting concluded with applause.

eSECURITY TASK GROUP

MINUTES OF MEETING

17 SEPTEMBER 2001

JEJU, KOREA

The Chair opened the meeting by extending condolences on behalf of all participants to the United States Delegation on the tragic events in New York and Washington. The United States noted that citizens of most APEC economies had also been involved and expressed its condolences to those economies.

<u>**Critical Infrastructure Protection Presentations**</u>

<u>Australia (ESTG 03 and 04)</u>
Mr Peter Ford who is also Chair of the OECD Working Party on Information Security and Privacy noted the relevance of critical infrastructure protection in the light of the events in the United States. He noted that there were two elements of critical infrastructure protection – national security and economic protection. The main emphasis of APEC is the economic element but the national security element cannot be ignored.
Mr Ford outlined Australia's framework for protection of the National Information Infrastructure. It involves:
- Cooperative arrangements between the public and private sectors;
- Integrating electronic and physical arrangements;
- Development of response arrangements in the public and private sectors;
- A threats and vulnerabilities database; and
- Review arrangements.

He noted the work the OECD is undertaking in the review of its Guidelines for the Security of Information Systems. He also explained that Australia is implementing a new Model Criminal Code to cover cyber crime. The Model code is as far as possible consistent with the draft Council of Europe Cyber Crime.

<u>Canada (ESTG 11)</u>
Mr Peter Ferguson outlined Canada's approach to critical infrastructure protection through the creation of an Office for Critical Infrastructure Protection and Emergency Preparedness, which addresses both the physical and cyber elements of critical infrastructure protection. This is an "all-hazards approach".
The approach involves:
- Protecting the Government of Canada Infrastructure;
- Partnership development;
- Targeted programs;
- Enhancing national capabilities; and
- Enhancing the policy framework.

Japan (ESTG 14)

Mr Toshihiro Matsui outlined Japan's activities to protect its critical telecommunications infrastructure. It involves the development of technical standards for telecommunications, and safety and reliability guidelines for info-communications networks. He described the administrative structure, which involves both government and private sector expertise. Japan's approach also involves the development of the Special Action Plan on Countermeasure to Cyber-terrorism of Critical Infrastructure, the Certification System for National Information Security Manager and the promotion of IT security technology Research and Development.

Chinese Taipei (ESTG 17)

Dr Chung-Ming Ou explained how Chinese Taipei is using PKI to protect its critical infrastructure. The Government has developed a network for its communications.
He noted that the Chinese Taipei approach is based on standards such as TCSEC, ISO 15408 (Common Criteria), ISO 17799 and its own information security management specification. There are a number of government sponsored IT security research and development programs.
He also noted the role of security audit and mentioned that the Information Systems Audit and Control Association is defining a standard for information and communication security suitable for both the public and private sectors. The standard would include:
- Product certification;
- Information security management certification; and
- Software assessment.

United States (ESTG   )

Mr Joseph Richardson advised that the U.S. is seeking innovative solutions both nationally and internationally. This is based on three principles:
- The need for flexible solutions;
- Private sector leadership; and
- Consistency in approach across economies.
The U.S. is actively involved in developing approaches to critical infrastructure protection the OECD, United Nations and G8 as well as in APEC. Cooperative arrangements need to involve the private as well as public sector.

PECC (ESTG   )

Mr Arjen de Landgraaf explained the New Zealand critical infrastructure protection arrangements from a business perspective. He said that programs are often released too soon and different programs do not always work together well. Suppliers do not always publish information and patches quickly enough. Often "quick fixes" themselves contain errors and omissions. Lack of knowledge in organisations can also lead to errors and misconfigurations. He advised that in New Zealand PECC/TIIF had brought together industry, academics and government leaders initiating dialogues, research and actions. Free educational business seminars for non-technical business managers have been run since April last year.

Economy Reports on IT Security and CIP Initiatives

Canada

Canada noted the review of the OECD Guidelines. It also noted it was following the draft Council of Europe Cyber Crime Convention. It was undertaking a five year project

examining the steps that might need to be taken to ensure lawful access to electronic information.

Hong Kong, China
Hong Kong, China advised that its regulations would be reviewed. Security guidelines have been issued to departments covering policy, accountability, incident response teams and risk management. It is trying to increase the awareness of agency employees. It is looking at the overall question of information security management. It has established a CERT-CC. It has established a working group on IT crime and issued a consultation paper on initiatives to combat IT crime. The paper is available from the Hong Kong, China Government website.
Indonesia
Indonesia advised that an academic report has resulted in a draft cyber law for public consultation. It is proposed that the draft law go to Parliament as soon as possible. Indonesia view is that the private sector is responsible for security of its systems with the Government playing a facilitating role.

Korea
Korea advised that the Ministry of Information and Communications has developed policies for the security and reliability of systems. An information infrastructure authority has been established under the Information Infrastructure Protection Act 2001. The Government designates what is the critical information infrastructure and advises on countermeasures and security plans. Some of the work is outsourced to security consulting service providers. Korea CERT has been established under the Korean Information Security Agency.

Malaysia
Malaysia has enacted a suite of communications and multi media laws and has established a national IT security response team. It is developing guidelines for IT security. It has particular concerns about the use of the Internet to provide false and misleading information. It noted the issue was discussed at an ASEAN telecommunications meeting last month.

New Zealand (ESTG 07)
New Zealand has prepared a report *Preparing New Zealand's Infrastructure from Cyber-threats*. As a result New Zealand will establish a unit to provide advice and support to protect its critical infrastructure. It has also introduced cyber crime legislation. It is establishing a set of minimum standards for infrastructure security.

Russia
Russia is examining the critical infrastructure protection aspects of telecommunications and electronic information. It is defining the segments of the national information infrastructure and developing e-security measures. The main problem is to develop a basis for information protection. It is introducing amendments to the telecommunications regulations to allow for protection of the national information infrastructure. It has passed electronic signatures legislation and established an expert group on critical infrastructure protection to develop a program of action. The program will be developed in consultation with the private sector.

Thailand
Thailand advised that it would implement a suite of cyber laws. NECTEC is implementing a certification authority.

United States

The United States introduced a proposal for a project on *Information Sharing on the Security of Information Systems* (ESTG). The proposed project would involve the preparation of a questionnaire to economies on their responses to the ten issues raised in United Nations General Assembly Resolution 55/63 *Combating the Criminal Misuse of Information Technologies*. The results would be used to prepare a report to Ministers. Canada noted that it would be essential to formulate a questionnaire in a way that ensured comparability of results. The United States proposed that the ESTG Chair coordinate the project. Australia and Canada indicated they might be able to provide some resources to assist in the project. The proposal was supported by Australia and Canada. The ESTG agreed that the project go forward to BFSG for approval.

Panel Discussion on CIP Developments

Japan asked the Panel's view on information sharing between government and industry - in particular when, where and what kind of information should be shared. It raised the question of whether APEC should develop Guidelines for reporting of incidents and vulnerabilities and whether schemes should be supported by legislation.

Australia noted that it was using small teams going out to get a greater exchange of views. The United States noted there is an industry-to-industry aspect as well as industry to government. PECC noted that business was reluctant to report vulnerabilities in case they were subsequently exploited. It also commented that response times for the provision of information from organisations such as CERTs was too slow. Japan advised that it was discussing information sharing with industry. Canada saw vulnerabilities as a key element of information sharing. It also pointed out that there were liability issues that would need to be addressed through protocols or if that was not successful through legislation.

New Zealand asked the Panel's view on certification of IT security skills by the private sector. The United States suggested that the MRA example could apply for APEC wide recognition of skills certification. It noted that G8 was looking at the skills standards issue.

Hong Kong, China asked whether critical infrastructure protection should be centralized or should be addressed through codes of practice for individual industry sectors. The panel was generally of the view that a distributed approach with central coordination was the best model.

Hong Kong, China also asked what the role of software developers was in critical infrastructure protection. PECC expressed the view that software developers are a source of the problem and need to put more effort into checking for and responding to vulnerabilities. The United States pointed out this was an area for private sector leadership. Software vendors would suffer loss of market if they did not respond to vulnerabilities brought to their attention. Canada commented that recent conferences conducted by the OECD and the Global Business Dialogue had noted the need for industry responsibility in this regard.

Australia suggested to the panel that requiring increased security could raise costs and thus impede the uptake of information technology in developing economies. The panel agreed that there was a need to balance security and risk through risk management processes. It also agreed that this issue could be looked at in the report to Ministers proposed by the United States. Canada also mentioned that from discussions in Canada, it found that examination of security requirements in many cases had lead to the introduction of new efficiencies.

China asked the Panel's view on responses to the Code Red and similar viruses. There was a general view that there was a need to improve anti virus products notification processes and general information sharing.

Possible Website of CIP Resources

The Chair noted that there is a lot of publicly available information on critical infrastructure protection and that consideration should be given to developing a series of links to those resources to facilitate economies obtaining information. This could be achieved by establishing a series of hyperlinks on the Tel website. It was agreed that this issue could be raised in the discussion of the TEL website at the BFSG meeting.

Report on HRDSG Project on IT Security Training Material

The United States advised that the training material prototype was being finalized and the material translated into other languages. It also advised that it had initiated a project on IT security research and development in the APEC Industrial Science and Technology Working Group. The United States would make a presentation on this project to a later meeting.

Mapping of Certification Authorities Accreditation Schemes (ESTG 09, 10, 16)

Canada advised that the second round of questions had been completed. Of those that responded all had e-signature legislation. The mapping exercise had highlighted commonalities and variances. The variances can now be analysed to determine how they can be addressed to meet the interoperability objective. This would involve bridging arrangements for legal effect, common elements for accreditation schemes and a common understanding of the various approaches to interoperability. A matrix of responses was provided.

Bridge Certification Authorities (ESTG   )

Ms Judith Spencer, Chair, US Federal PKI Steering Committee was unable to attend the meeting. Her presentation and paper was made available to delegates.

The Role of Certificate Trust Lists (ESTG 06)

The Chair explained that within the APEC region there were three different approaches to granting legal effect to electronic transactions. There was a need to establish a means of achieving interoperability between these different approaches. The PKI Forum had identified seven different technical/policy approaches to PKI interoperability. Given the different approaches, the Chair stated that it felt that certificate trust lists is the approach with the greatest potential. The approach would involve those economies with specific requirements for legal effect providing digitally signed lists of the Certification Authorities whose certificates had legal effect in that jurisdiction. This approach would be the subject of a PKI interoperability project to be proposed later in the meeting.

The Asia PKI Forum (ESTG 13)

Mr Michio Sasamori provided details on the Asia PKI Forum. The Forum covers the Asia/Oceania region. Its objectives are to establish interoperability amongst member regions and promote the deployment of PKI. It would also interact with the PKI Forum (based in North America) and the European Electronic Signatures Standards Initiative. Mr Sasamori outlined the membership and organisation of the Forum.

Observer Status at PKI Forum – APEC Secretariat Advice

The Chair reminded delegates that at the last meeting the question of APEC observership at the PKI Forum was discussed. As observer status required the signing of an agreement the matter was referred to the Secretariat for advice. The key provision of the agreement was that APEC would comply with the intellectual property rights of material provided by the PKI Forum. The principal objective of observer status was to allow the exchange of

unpublished information between the two groups to facilitate global interoperability of PKI. It was not proposed that there would be official representation by either body at the other's meetings.

The Secretariat has advised that subject to approval from TEL the agreement can be signed. It was agreed that the matter go forward to BFSG for forwarding to the TEL.

Provision of Harmonised Trust Service Provider Status Information (ESTG 02)

Mr Richard Wilsher, Chair, Working Group 178 (Electronic Signature), European Telecommunications Standards Institute (ETSI) was unable to attend the meeting. The ETSI paper had been distributed prior to the meeting. The Chair noted the synergies between the ETSI work and that of this Task Group. It mentioned that there had been exchanges of ideas during the development of the ETSI paper. The Chair noted that Australia, Canada and the United States had provided input to the paper but it was open for other APEC economies to contribute. The Chair encouraged such contributions and advised that economies could contact it to participate in the project. The project was important in ensuring similar approaches in Asia/Pacific and Europe and could eliminate potential barriers to electronic commerce between the two regions.

Issues Paper Annex E – Hybrid Technologies

The Chair advised that this Annex had not yet been completed but would be prepared for TEL 25.

Publication of Electronic Authentication Issues Paper – BMC Funding

The Chair advised that the BMC had not been able to provide funding for the publication of the Electronic Authentication Issues Paper. Other options, including sponsorship, would be pursued. In the meantime it was agreed that the paper be updated and a consolidated version be placed on the TEL website.

APEC PKI Interoperability Pilot –Proposed Project (ESTG 05)

The Chair said that the PKI demonstration at TEL 23 using certificates generated by CAs in different economies had been very successful. It showed that certificate trust lists could bridge different implementations. The weakness was that the current lists could not be secured. It was now proposed to undertake a pilot project on digitally signing the trust lists. The proposed pilot would involve establishing a body to digitally sign a trust list that would allow APEC delegates to use certificates from CAs in their own economies and use them for secure and authenticated messages between each other. Several organisations including the US Federal Bridge Certification Authority, the Pan Asian e-Commerce Alliance and some Australian organisations had expressed an interest in being involved in the pilot.

The Task Group agreed that the proposed project go forward to BFSG.

Economy Reports on Electronic Authentication Activities

Australia
Australia advised that its National Electronic Authentication Council had developed a guide on electronic authentication for SMEs and a paper on liability issues based on advice from private sector lawyers. It also advised that the Electronic Transactions Act 1999 came into full effect on 1 July 2001. Complementary legislation is being introduced in all States and Territories.

The National Office for the Information Economy has issued a discussion paper *Interoperability with Gatekeeper through Cross-Recognising PKI Domains* (ESTG 08). NOIE is seeking comments from other economies on the paper.

Canada (ESTG 12)
Canada reported that Industry Canada has been consulting widely with key stakeholders including the private sector. It identified a need for a framework for authentication and certification services, development of a set of principles to guide the development and use of these services and to continue to participate in international fora to ensure interoperability. Canada advised that it in the second phase of its privacy legislation rollout. It noted that there was a tension between security and privacy that needs to be addressed.

Hong Kong, China
Hong Kong, China advised that a second CA has been licensed under the Electronic Transactions Ordinance. It will be reviewing the Ordinance.
Tradelink provided information (ESTG   ) on the Pan Asian e-Commerce Alliance, which involves CAs in China; Hong Kong, China; Korea; Singapore; and Chinese Taipei with an observer from Japan. The approach is to establish a Certification Policy Authority for the Alliance. It will develop a Certificate Policy and set the criteria for member CAs' Certification Practice Statement(CPS). It plans to test secure cross border transactions in November this year.

Japan
Japan advised that it has two CAs accredited under its legislation and three other CAs have applied for accreditation.

Korea
Korea advised that it now has four licensed CAs and 1.2 million people using digital signatures. It advised that it would be reviewing its Digital Signatures Act to bring it into line with the UNCITRAL model laws.

Malaysia
Malaysia advised that it now had two CAs licensed under its Digital Signatures Act.

New Zealand
New Zealand advised that it hopes to have its Electronic Transactions Bill passed by the end of the year. It is similar to the Australian legislation. The Government is developing a PKI scheme for G2G and will report on its extension to G2cC and G2B by the end of the year (www.e-government.govt.nz). It noted that the Certification Forum of Australasia now includes New Zealand members.

Singapore
Singapore advised that it now had two CAs licensed under its legislation.

Chinese Taipei
Chinese Taipei advised that it hoped to have a Digital Signature Act enacted by the end of the year. Four CAs are currently operating in Chinese Taipei and some 70 – 75,000 certificates have been issued.

Thailand

Thailand advised that it has two CAs established. A national standard is to be developed. Legislation is still being considered.

Vietnam
Vietnam advised that under a Government Decree on Internet Services, the private sector and citizens could now obtain encryption products. It is conducting a study on the introduction of certification services.

eAPEC Agenda – Electronic Authentication, Information Security and Personal Data Protection

It was proposed that the Task Group review the sections of the eAPEC Strategy relating to electronic authentication, information security and personal data protection. It was agreed that a drafting group be formed and the output be presented to the TEL for approval.

Input to Leaders' Statement on Information Security

It was proposed that the Task Group draft a paragraph on protection of information systems and networks for inclusion in the 2001 Leaders' Statement. It was agreed that a drafting group be formed and the output be presented to the TEL for approval.

Next Meeting

It was agreed that the Task Group apply to hold a full day meeting in the same format as this meeting at TEL 25.

Development Cooperation Steering Group

1. OPENING

The Development Co-operation Steering Group (DCSG) meeting was held on September 19-20, 2001. There were 35 participants attending the meeting (see Annex A). The Convenor welcomed all the participants to the meeting, and extended his appreciation to Korea for hosting the meeting, and also expressed condolences to the USA for the terrorist attack happened on September 11. The meeting reviewed the draft agenda of DCSG meeting, and agreed to revise it as shown in Annex B.

2. DISCUSSION SESSION

2.1 PECC-APEC DIALOGUE

The PECC reiterated its statement given in the Plenary concerning the future direction on the PECC-APEC dialogue for improvement of the collaborative relationship between PECC and APEC. PECC noted that while private sector's participation had already existed, PECC would like to further seek improving the present relation with APEC TEL. Any comment or idea on the future direction for PECC would be much welcome. The meeting acknowledged the statements made by the PECC, and would continue to collaborate with PECC especially in the areas of development cooperation.

2.2 Digital Divide Activities

Please refer to Annex C.

2.3 Internet Issues (IITG)

Given the Internet Issues Task Group Meeting was held on September 17, the Convenor informed the meeting of the reports made by several economies and organizations, e.g., the report by China on establishing new international settlement model for Internet service based on costs, and the report by Korea on measurement tool on the international Internet traffic. China noted that it was very important to change current payment model of Internet international links and to establish fair and sustainable Internet charging arrangements based on costs, and to urged the study on the Internet charging arrangements. China stressed that the charging arrangement should not be decided solely by the market. Government should also involve in that area. China sought member economies' opinions via e-mail on the settlement models proposed. The DCSG stressed the importance of the Internet issues, appreciated IITG's efforts and would offer its full support to the IITG in the perspective of development cooperation.

3. NEW PROJECTS

Project Proposal on Asia Pacific Grid Implementation Project (telwg24/dcsg/11-Korea)

Korea proposed a self-funded project titled the Asia Pacific Grid Implementation Project. Korea defined the Asia Pacific Grid as an infrastructure that makes dispersed

supercomputers, scientific instruments, advanced applications and human experts in the Asia Pacific region area to collaborate as a single local system. The objectives of the Project are to enhance collaboration among test-beds being constructed in Asia-Pacific area, to advance a collaborative environment among Asia-Pacific research and development groups using modernized communication technology, and to get rid of difference in technology and information resource among Asia-Pacific members through the Asia Pacific Grid.

The four components of the Project are Asia Pacific high performance computing Grid, Asia Pacific Data Grid, Asia Pacific Access Grid and the Application Grid to be approached in order. Outputs of the Project are Information Service for Asia-Pacific Grid consruction and service, Grid Security Service, and Grid resource allocation scheduler. Those outputs allow Asia Pacific memebers participated in the Project to construct their internal Grid and provide a needed service connecting related systems through the existing test-bed network. The meeting approved the Project, starting from 2002 to 2006.

4. CURRENT PROJECT REPORTS

Information service and knowledge transfer:

4.1 APII Cooperation Center (telwg24/dcsg/14 - Korea)

Korea reported on the progress of the APII Cooperation Center. The objectives of the APII Cooperation Center are to develop and conduct numerous APII-related projects for the early realization of the APII, and to share a stable and user-friendly database on IT- related information and APEC TEL documents/projects. Projects undertaken as APEC projects include "APII Test-bed", "Distance Learning Project on Telecommunications Technology", and the "APEC TEL Website Maintenance" projects. Other projects include "Human Resource Development Programs", are training programs aimed at closing the digital divide.

For 2001, research projects related to APEC TEL's four Steering Group activities are conducted, e.g. the "Studies on the Directions for APII Test-bed Evollution", the "Studies on the Present Condition of the Digital Divide within the Asia Pacific Region and its countermeasures", etc. More detailed information could be found in the APII Cooperation brochures and at URL address: www.apiicc.org.

4.2 APII Technology Center (telwg24/dcsg/ 07 - Japan)

Japan noted that the APII Technology Center currently acting as the core of APII test-bed project is an administrator and a real research community of academic research and a part of CRL-NGI project. It is now playing a core role of information distribution in Asean area for reducing the digital divide, e.g., JICA Training at APII Technology Center. The Center is now establishing a new technology as a self funded project of CRL, Japan. APII Technology Center is now focusing on the programs as follows: research works with APII Testbed, IP-based WLL for bridging Digital Divide in rural area, listings of Internet resources in Asia, and Uni-Directional Link-Routing, etc.

4.3 Development and Financial Resources Catalog (telwg24/dcsg/05 - USA)

The USA noted that the project coordinator of the Development and Financial Resources Catalog Project has updated the links and added new entries focused on Internet access/Digital Divide. Australia and Chinese Taipei have provided an update to their section. Korean website hosts have moved the catalog to a more prominent position on the website. USA requests updates from Member Economies, particularly from the three new member economies.

4.4 Spectrum Policy and Management Database (telwg24/dcsg/ 06 - USA)

The USA reported that in current update for the Spectrum Policy and Management Database, positive responses have come in from Australia, Canada, Hong Kong, Singapore, Chinese Taipei and USA. USA requests updates from Member Economies, particularly from the three new member economies.

4.5 The Cross-country Smart Card-Based Secure Electronic Commerce Project (telwg24/dcsg/03 - Singapore)

The project aiming to investigating the systems and security aspects of cross-country secure electronic systems and to study the feasibility of adopting smart card for supporting e-commerce transactions. Singapore reported that the project has not bcommenced. An overseeing committee comprising Australia, Japan, Korea and Singapore has been established for the project. The Request for Proposals for this project has been circulated.

4.6 Virtual Environments for Manufacturing and Technology Project (VEMET) (telwg24/dcsg/ 04 - Singapore)

Singapore noted that the Virtual Environments for Manufacturing and Technology Project has not commenced. An overseeing committee comprising Australia; Hong Kong, china; and Singapore has been established.

On the report by Singapore, Canada asked if Singapore was duplicating the Korean effort in proposing a sort of mini-grid specifically for e-manufacturing and e-learning. Singapore replied that there was no duplication, but instead riding on existing information infrastructure. Japan asked if the system of VEMAT could be ported over to GRID. Singapore replied that it just got the project budget approval one month ago, and at this stage, Singapore is still in the design and prototyping phase. Singapore is unable to give a definitive answer, but will be able to know by the next meeting whether this will be possible.

Survey, study and individual research:

4.7 Optimal Topology of Testbeds (research networks) and Simplified Commercial Networks in APEC Region (Korea)

Korea noted that the funding for the Project had been successfully sought. The Project is still at the stage of preparation. Korea will report on the Project at the next TEL meeting.

Research Cooperation:

4.8 Active Partnerships for Internet Connectivity Project (PECC)

The Project will maintain a database of Internet-based products, recipient government needs, and sponsor interests that will form the basis for a partnership clearing house to identify, develop and support new partnerships. PECC noted that the Project was at the stage of preparation. Progress of the Project will be reported at the TEL25 meeting.

4.9 Business Cooperation in Vender-Supplied IT Education, Training and Certification Programs and Projects (USA)

The Project is also covered by the HRDSG. As agreed at the last DCSG meeting, it would be unnecessary to report on the Project at each DCSG meeting. The DCSG agreed to let the HRDSG take the responsibility to follow up.

Test bed service:

4.10 APII Test Bed Project (telwg24/dcsg/12 - Korea)

Korea noted the meeting of current activities of the APII Test Bed Project. As of August 2001, Korea had three APII Test-beds each from Korea to Japan, Singapore and USA. While KOREN (Korea Advanced Research Network) serves as a local backbone network in Korea, the APII Test-beds operate mainly as international research networks with those of partner economies. Currently seven projects are being carried out on the APII Test-bed linking Korea and Japan. The two sides will be holding discussions on ways to proactively promote the projects. The future plans of the Project will include Korea-China APII testbed, the direct link to the Trans-Eurasia Information Network (TEIN) Project, and the effect construction of the APII to contribute to realizing a global information infrastructure.

4.11 APII Test Bed Project for Interconnectivity and Interoperability (telwg24/dcsg/08 - Japan)

Japan reported that determination was made between Japan and Korea to extend the duration of the Project until March 31, 2002. APII Cooperation Center, APII Technology Center and some committees in Asia are now making new frames for inter-operability and inter-connectivity between their networks.

4.12 Advanced Satellite Test-Bed Project (telwg24/dcsg/09 - Japan)

Japan reported that the Project is still at its construction stage. Japan also noted that they continue to search the opportunities for collaborating experiments. They also hold a forum once a year. Thailand hopes that Japan could disseminate the outcomes of the forum at the TEL25 in Vietnam.

5. OTHER BUSINESS

5.1 Final Report of the Techno Economic Modeling (telwg24/dcsg/15- Australia)

Australia noted that the Techno Economic Modeling Project was finished. Reports have been provided to past TEL meetings on each of three workshops. A final report

was provided to the Project Oversight Committee in July 2001. The final date for submission of the final report was extended twice with permission from Budget Management Committee giving the contractor extra time to complete a report that fulfilled the RFP requirements. The final extension of funding was on August 31, 2001. Positive reports were received from the three workshops in connection with the Project.

5.2 IP-based WLL for Bridging Digital Divide in Rural Area (telwg24/dcsg/   - Japan)

The Project of IP-based WLL for Bridging Digital Divide in Rural Area has been incorporated in the APII Technology Center. Japan referred the Project to document telwg24/dcsg/07. Japan presented on the profile of the APII frameworks project, and informed the meeting that it will submit this new project at the TEL25. Japan also invites member economies to join in the drafting of the proposal for this project. The DCSG expected the proposal, and reminded that the new proposal should avoid overlapping with other on-going projects such as APII Technology Center and APII Test-bed Project.

5.3 Proposal for DCSG Workshop on Under-Served Area at TEL25 (telwg24/dcsg/ 13 - USA)

The USA proposed a half-day workshop on under-served area at TEL25. The theme of the workshop will be "Meeting Needs of Under-Served Areas through Coherent Policy Support of Technologies" or similar title. It is noted that the ITU Development Sector is currently concluding work focusing on how to meet rural needs for Internet buildout. The USA proposed that APEC TEL pursue a similar exercise, except that the TEL should focus on all under-served areas, both urban, ex-urban, and rural. The USA thinks this helps answer the call of TELMIN4 Ministers to pursue work on looking at infrastructure as well as access and use. The USA believes the substance of the workshop is cross-cutting between all the TEL Steering Groups, but fits most naturally into the DCSG. The USA invites other interested Economies to help in organizing and participating in the proposed workshop.

As the proposed workshop on under-served area will also cover issues of Internet access and universal service, avoidance of overlapping with the work done in the LSG should be made. Suggestion was made to keep the original name of the workshop (a workshop on under-served area) as a subtitle, and the 3rd Digital Divide Workshop as the main title. The DCSG meeting acknowledged the need to have the workshop held in conjunction with the TEL25 meeting.

6. SUMMARY OF ACTIONS AND RECOMMENDATIONS
The Convenor summarized the actions and recommendations made at the meeting as follows:
1. The meeting approved the self-funded "Asia Pacific Grid Implementation Project". Korea invites interested member economies to join the oversight committee of this Project.

2. The DCSG meeting acknowledged the need to have the third Digital Divide Workshop targeting on under-served areas, and support that the Workshop be held in conjunction with the TEL25.

3. Member economies are encouraged to provide comments on the document of the draft response of the TEL to Leaders' Declaration by October 5th.

4. The DCSG meeting will form a team to work on discussing and finalizing the draft Digital Divide Blueprint for Action via e-mail.   Member economies showing their willingness to join are Canada, China, Japan, Korea, Thailand, etc. Other interested member economies are encouraged to join the team.

7. CLOSING

The meeting was closed with the Convenor's appreciation to member economies' participation and contributions.

DEVELOPMENT COOPERATION STEERING GROUP MEETING

AGENDA

1. **OPENING**

    1.1 Review of Agenda

2. **DISCUSSION SESSION**

    2.1 PECC-APEC Dialogue

    2.2   Digital Divide Activities
      2.2.1 Interim response of the TEL concerning Internet Access, bridging the digital divide and skills shortages (including the request for information on policies to reduce the digital divide)

      2.2.2 TEL24 workshop: expanding Digital Opportunities

      2.2.3 Updating the Digital Divide Blueprint for Action

    2.3   Internet Issues (IITG)

3. **NEW PROJECTS**

    3.1 Project Proposal on Asia Pacific Grid Implementation Project

4. **CURRENT PROJECT REPORTS**

    Information service and knowledge transfer:

    4.1 APII Cooperation Center (Korea)

    4.2 APII Technology Center (Japan)

    4.3 Development and Financial Resources Catalogue (USA)

    4.4 Spectrum Policy and Management Database (USA)

    4.5 The Cross-country Smart Card-Based Secure Electronic Commerce Project (Singapore)

    4.6 Virtual Environments for Manufacturing and Technology Project (Singapore)

    Survey, study and individual research:

    4.7 Optimal Topology of Testbeds (research networks) and Simplified Commercial Networks in APEC Region (Korea)

    Research Cooperation:

    4.8 Active Partnerships for Internet Connectivity Project (PECC)

    4.9 Business Cooperation in Vendor-Supplied IT Education, Training and Certification Programs Projects (USA)

    Test Bed service:

4.10   APII Test Bed Project (Korea)

4.11   APII Test Bed Project for Interconnectivity and Interoperability (Japan)

4.12   Advanced Satellite Test-Bed Project (Japan)

5. OTHER BUSINESS

5.1 Final Report of the Techno Economic Modeling Project (Australia)

5.2 IP-based WLL for Bridging Digital Divide in Rural Area (Japan)

5.3 Proposal for DCSG Workshop on Under-Served Areas at TEL25

6. SUMMARY OF ACTIONS AND RECOMMENDATIONS

7. CLOSING

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Draft Report on Digital Divide

A number of activities at APEC TEL24 meeting response the Cancun Declaration to bridge the digital divide. The activities include

- Submission of Interim Response of the TEL to Leaders' Declaration – Brunei Darussalam and Ministers' Cancun Declaration Concerning Internet Access, Bridging The Digital Divide, And Skills Shortage to SOM II on behalf of TEL
- Discussion on Draft Response of the TEL to Leaders' Declaration – Brunei Darussalam and Ministers' Cancun Declaration Concerning Internet Access, Bridging The Digital Divide, And Skills Shortage
- Updating the Draft Digital Divide Blueprint for Action
- Report on Digital Divide Workshop on Expanding Digital Opportunities
- Proposed a half-day workshop for the next TEL meeting

I. Submission of Interim Response of the TEL to Leaders' Declaration – Brunei Darussalam and Ministers' Cancun Declaration Concerning Internet Access, Bridging the Digital Divide, and Skills Shortage to SOM II on behalf of TEL (dcsg/02)

The DCSG is informed by the USA that Interim Response of the TEL to Leaders' Declaration – Brunei Darussalam and Ministers' Cancun Declaration Concerning Internet Access, Bridging the Digital Divide, and Skills Shortage" has reported to SOM II on behalf of TEL.

II. Discussion on Draft Response of the TEL to Leaders' Declaration – Brunei Darussalam and Ministers' Cancun Declaration Concerning Internet Access, Bridging the Digital Divide, and Skills Shortage (dcsg/10)

The USA proposed Draft Response of the TEL to Leaders' Declaration – Brunei Darussalam and Ministers' Cancun Declaration Concerning Internet Access, Bridging the Digital Divide, and Skills Shortage. This report is to include data to allow benchmarking of the leaders' goal of tripling Internet access in the APEC region by 2005, and policy conclusions of the TEL for bridging the digital divide from the interim report that was submitted to the SOM II meeting in June 2001.

The actions of TEL are: 1) developing a Digital Divide Blueprint for Action; 2) initiating the gathering of statistics on Internet access to gauge progress on the Leaders' challenge; 3) conducting an internal stock-take on policies employed by member economies to bridge the divide; and 4) holding two workshops (March & September 2001) to address the policies for bridging the divide and the skills shortage.   The conclusion of these works is among the following aspects:

- The level of access to the Internet
- Infrastructure to support the Internet
- Human Capacity Development
- Characteristics of successful policies to bridge the digital divide

- Continuing work

After general discussion, the DCSG agreed to the importance of this report. All member economies are encouraged to submit their comments on the draft and updates of their statistics to the Convenor by October 5, 2001. The draft is included in Annex C-1.

III. Updating the Draft Digital Divide Blueprint for Action

The DCSG agreed to set a voluntary virtual team, led by the Convenor, working via Internet, to finalize the Digital Divide Blueprint for Action. Canada, China, Japan, Russia, USA and PECC showed their intention to join the team.

IV. Report on Digital Divide Workshop on Expanding Digital Opportunities

A half-day Expanding Digital Opportunities workshop was held at APEC TEL 24 on September 18, 2001. The workshop is based on findings of the TEL 23 workshops, as recorded in the **"Interim Response of the TEL to Leaders' Declaration Concerning Internet Access, Bridging the Digital Divide, and Skills Shortages",** and characteristics of successful policies to bridge the digital divide identified in that report:

1) **Leadership** – often at economy level but also including local and regional initiatives to create a vision and institutions/structures to address the issues.
2) **Partnerships** – including among business, education and social institutions, and government
3) **Policy coherence** – to ensure that all policies are working together to create the desired economic and social environment.
4) **Market focus** – among others, to develop demand that can justify investment required.
5) **Sustainability** – to ensure continuation of the services beyond the seed money stage

Speakers from the public and business/private sector were invited to present case studies, based on these five themes, in terms of the policy framework, the roles of the private sector, governmental and non-governmental organizations, and the cross-border/regional links.

Dr. Hwang, Jong-Sung, Vice President, National Computerization Agency, Korea, addressed "Digital Divide: Trends and Issues". He emphasized the current situation of digital divide and stated the problems and their causes. The market itself cannot solve the problems. The co-operation among government, market, and business both at national and international level is needed.

Mr. James C. M. Yang, Senior Specialist, Board of Foreign Trade, Ministry of Economic Affairs, Chinese Taipei, presented the outcomes of Phase I of the APEC project, "Transforming the Digital Divide into a Digital Opportunity," a symposium held during 24-27 July 2001 in Taipei, focusing on the application of e-commerce. The meeting commended Chinese Taipei for the successful implementation of the project's first phase, which provided

a positive impetus towards APEC work in narrowing the digital divide, and encouraged member economies to actively participate in the second phase of the project.

Mr. Sin Liang Cheah, Head of Singapore Delegation, Assistant Director, International, Infocommunications Development Agency (IDA), Singapore, addressed "Update on e-ASEAN Initiative. He described e-ASEAN Framework Agreement, signed by Leaders in November 2000 in Singapore, which covered following areas: 1) establishment of ASEAN Information Infrastructure; 2) growth of electronic commerce; 3) liberalization of Trade in ICT products and ICT services, and of Investments; 4) facilitation of Trade in ICT products and services, 5) Capacity Building and e-Society; and 6) e-Government.

Mr. Chen Yin, Deputy Director General, Telecommunications Administration Bureau, Ministry of Information Industries, China, presented "China: Facing Digital Divide". He showed the status of digital divide in China. A number of principles, policies and measures have been deployed. Then, he briefed e-APEC strategy as well since he acts as the Chair of e-APEC Task Force. e-APEC strategy composes of three pillars which are: 1) strengthening market structures and institutions; 2) infrastructure investment and technology development; and 3) human capacity building.

Dr. Cho Cheung Moon, National Computerization Agency, Korea, explained "The Role of Leadership in Closing the Digital Divide: Korea". He reported on the act and master plan for closing the Digital Divide. The tasks of this plan includes constructing high-speed telecommunications network, providing access devices to the persons in need, enabling all the people to have IT literacy and to understand the digital divide, thereby enhance international cooperation.

Mr. Dimitri Ypsilanti of the OECD Secretariate emphasized the need for policy coherence and market based policies to achieve universal access for Internet and infrastructure investment.

These presentations were seen to validate the policy conclusions and the importance of the characteristics of successful policies to bridge the digital divide reported in the Interim Response of the TEL concerning Internet Access, Bridging the Digital Divide, and Skills Shortages produced following the workshop at TEL 23. All speakers perceived the important role of government where market mechanism cannot function which are usually due to financial constraints on consumers and lack of education and training. The merits of regional activities and cooperation among economies become more necessary.

V.   Proposed a Half-day Workshop for the Next TEL Meeting (dcsg/13)

The DCSG proposed to organize a half-day workshop on Under-served Area initiated by the USA at TEL25 in Hanoi, Vietnam. The workshop will be under Digital Divide activities and consist of three moderate sessions; technology review, policy and regulatory needs to support build-out, and assessing economic impact of introduction of IT to under-served areas.

DRAFT RESPONSE OF THE TEL TO
LEADERS' DECLARATION - BRUNEI DARUSSALAM
AND
MINISTERS' CANCUN DECLARATION
CONCERNING INTERNET ACCESS, BRIDGING THE DIGITAL DIVIDE, AND SKILLS SHORTAGES

The Leaders' Declaration of Brunei Darussalam, November 2000, highlighted the importance of the information revolution to the global economy and called for a ***tripling of Internet access in the APEC region by 2005.*** In their Cancun Declaration, Ministers of Information and Communications Industry, 2000, challenged the TEL to bridge the digital divide. In response, the TEL has: 1) developed a Digital Divide Blueprint for Action, in the final stages of endorsement; 2) initiated the gathering of statistics on Internet access to gauge progress on the Leaders' challenge; 3) conducted an internal stock-take on policies employed by member economies to bridge the divide; and 4) held two workshops (March & September 2001) to address the policies for bridging the divide and the skills shortage. An interim report on these activities was submitted to the SOM II meeting in June 2001. The conclusions of this work are:

I. Access: The level of access to the Internet varies among populations at the international, regional, economy and local levels. Income, education, age, gender, disability and rural/urban location are among the factors that determine level of access by economies and the people within an economy.

X   Lower prices for access increase Internet uptake by consumers. Competition and liberalization are essential policies to lower the price of access and stimulate supply of products and services to fit the variety of needs of users.

In looking at programs to increase access for underserved groups, it is important to maintain a commercial focus and undertake actions that will lower prices and create and expand the demand for services among the target group. Government has an important role to play in this demand creation by bringing government programs and services on line.

The TEL has initiated an informal statistical gathering process to gauge progress on Internet access since 1999-2000. We are pleased to report that the APEC economies are indeed making progress, even in the short amount of time since the Brunei Summit. There are illustrative charts/tables attached as an Annex that indicate progress. The Interim Report also described the various governmental initiatives underway to improve access to and use of Internet access.

II. Infrastructure:
X   An overall positive economic environment is essential to the expansion and build-out of the infrastructure to support the Internet. The increasing use of the Internet for economic and social purposes, as well as new applications (3G/advanced wireless systems, digital TV, IP telephony, next generation Internet, etc.), mean there is a public policy imperative in all economies to ensure Internet access for all.

III. Human Capacity Development:

Availability of skilled workers is a major concern for all economies. It is difficult to predict future needs. The economic and social environment generally is an important factor in the ability of an economy to develop and retain skilled workers. The current skills shortage affects all segments of the economy. The portability of skills has led to retention problems, upward pressure on salaries and movement, including global movement, of workers. Education and training are major preoccupations of governments and companies, and a life-long requirement for workers. There is no single solution to this problem. The solution will require industry to be a partner.

IV. Characteristics of Successful Policies to Bridge the Divide:

The TEL conducted an internal stocktake on Economies and their policy initiatives that targetted the uptake of Internet and information technology among all sectors of the population and in the business/private sector (small-, medium-, and large-sized enterprises). Approximately fourteen economies provided substantive details, as recorded in the Interim Report to the May 2001 SOM Meeting. The successful models contained attributes that include a focus on:

- **Leadership** – often at economy level but also including local and regional initiatives to create a vision and institutions/structures to address the issues.

- **Partnerships** – including among business, education and social institutions, and government

- **Policy Coherence** – to ensure that all policies are working together to create the desired economic and social environment.

- **Market Focus** – among others, to develop demand that can justify investment required.

- **Sustainability** – to ensure continuation of the services beyond the seed money stage.

V. Continuing Work:

The TEL notes the importance of further exchange of experience and analysis of specific projects and programs being employed to increase access for all and to ensure the populations have the skills necessary to participate in the global economy. To this end, TEL will:

X   Continue to monitor the access to and use of Internet products and services across the APEC region;

X   Continue projects already identified under the Digital Divide Blueprint for Action; and

X   Explore additional work, such as a workshop to explore the policy environments needed to support emerging technologies (wireline and wireless) to meet under-served areas (urban and rural).

Figure I. Internet Access as Percent of Population (From Economies, or From Nua 05/01)
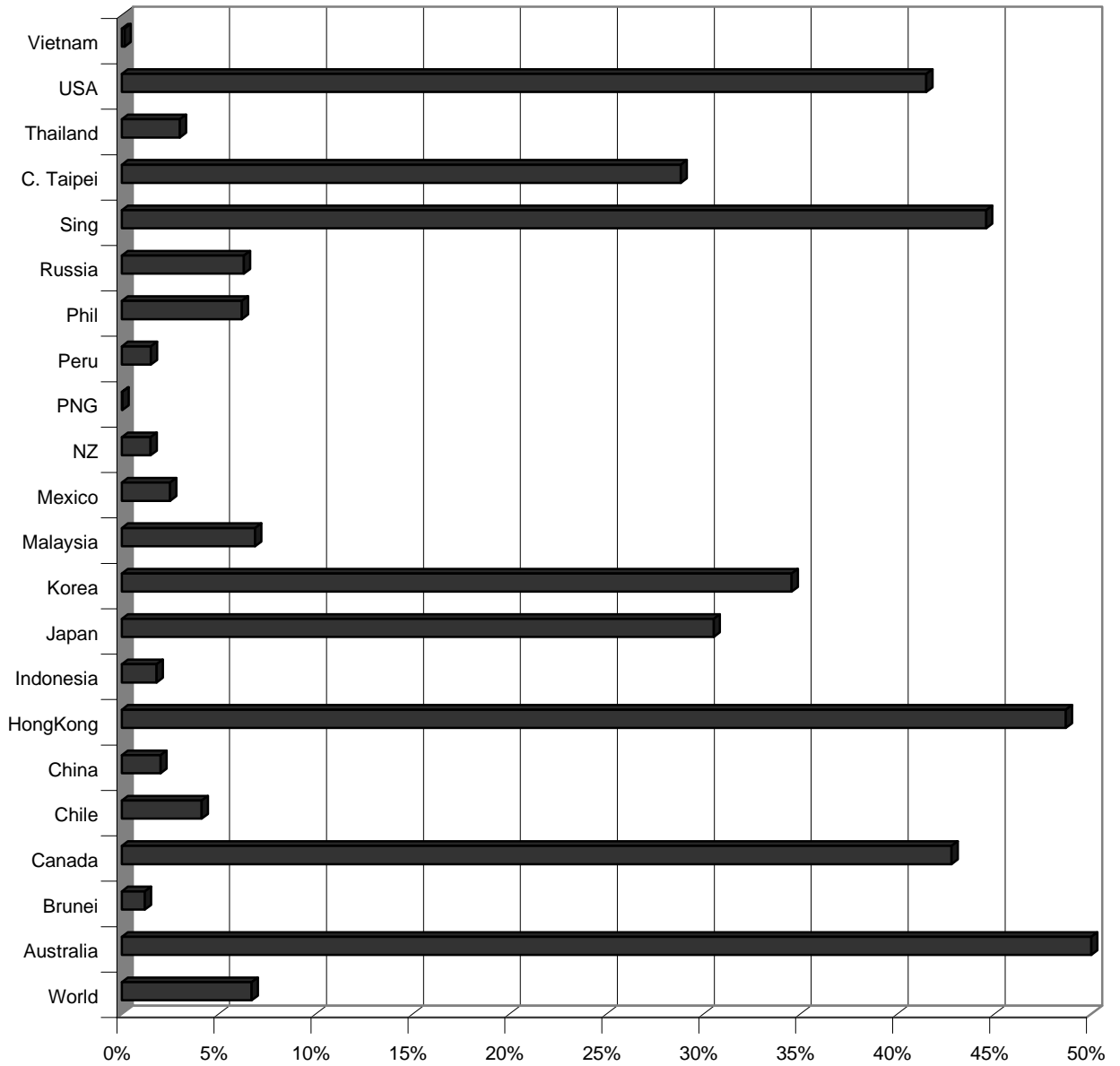

Figure I: Internet Access as Percentage of Population. Many analysts suggest that Internet access measured at the individual level is only one of several measures of the rate of Internet dissemination and development. It is not a completely reliable measure, but is illustrative, especially when viewed over time. Most economies shown here indicate the number of subscribers to Internet services accounts, while some may indicate the number of users, or the number of adult users. Thus it is difficult to do direct comparisons between economies on the basis of the individual.

Figure II: Mobile & PC Penetration (from Economies or ITU 2001)

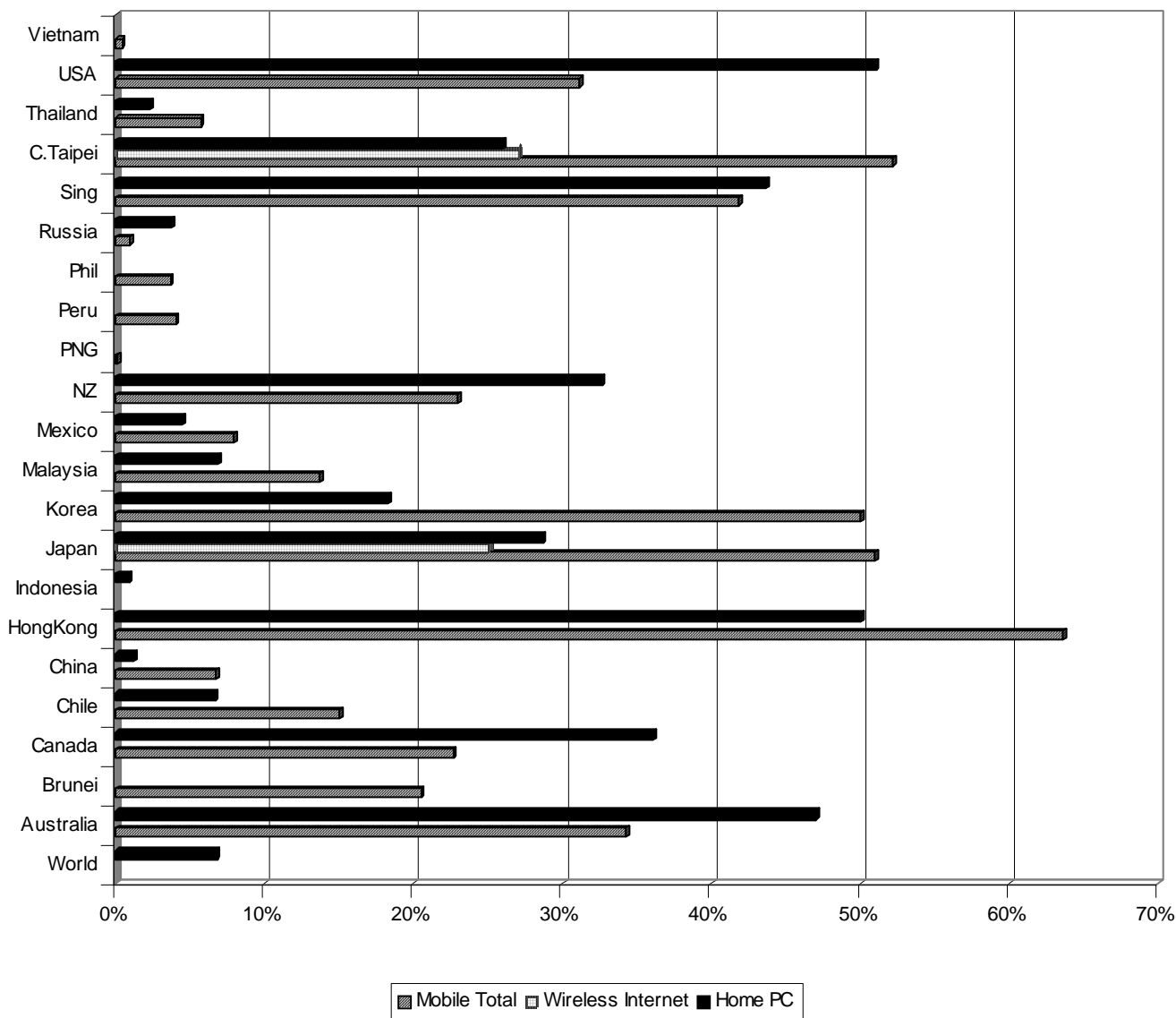Legend: Mobile Total | Wireless Internet | Home PC

Figure II: This figure attempts to map levels of individual subscriber access to devices (cellphones, wireless Internet devices, PCs) as a percentage of total population. Although growth in mobile Internet access devices is explosive, it is still immature (statistics available only from Japan and Chinese Taipei). At the same time, the total universe of mobile phone subscribers may reflect the potential universe of mobile Internet users with the advent of advanced wireless systems.

The USA invites all Economies to provide more recent and official statistics as part of this exercise.
APEC Internet Subscriber Counts

Economy	# (Millions) 1999/2000	% of Population 1999/2000	# (Millions) 2000/2001	% of Population 2000/2001	# of PCs
World	304.46*	5% (rough estimate)*	407.1 (11/00)* 459 (8/01)+++	7% (11/00)*	
Australia	6 (users, not subscribers) (3/00) (ABS)	44% of adults (3/00) (ABS)	4 (subscribers) (3/01 ABS)		469.2 per 1000 (1999)***
Brunei	0.004 (7/00)+	1% (7/00)+			
Canada	13.28 (12/99)	42.8% (ComQuest Research)*	11 (users) (1999)***		360.8 PCs per 1000 (1999)***
Chile	625 (4/00)+	4.12% (4/00)+			
China	16.9 (7/00) (CNNIC)*	1.34% (CNNIC)*	22.5 in 2000 (03/01)**	2% (03/01)**	12.2 PCs per 1000 (1999)***
Hong Kong China	3.46 (11/00)+	48.69% (11/00)++			297.6 PCs per 1000 (1999)***
Indonesia	0.400 (7/00)+	0.18% (7/00)+			
Japan	38.64 (11/00)++ 27.06 (1999)***	30.53% (11/00)++			286.9 PCs per 1000 (1999)***
Korea	16.4 (10/00 KNIC)	34.55% (10/00) (KNIC)*	21 (users) (3/01 U.S. Embassy)		181.8 PCs per 1000 (1999)***
Malaysia	1.5 (7/00)+	6.88 % (7/00)+			68.7 PCs per 1000 (1999)***
Mexico	2.5 (7/00)+	2.49% (7/00)+	3.5 (users) expected (5/01)**		44.2 PCs per 1000 (1999)***
New Zealand	1.49 (11/00)++	39.03% (11/00)++			328 PCs per 1000 (1999)***

Papua New Guinea	0.002 (7/00)+	0.04% (7/00)+			
Peru	4 (2/00)*	1.5%(Jupiter)*			35.7 PCs per 1000 (1999)***
The Philippines	0.5 (7/00)+	0.62 (7/00)+			16.9 PCs per 1000 (1999)***
Russia	9.2 (8/00)* (Monitoring.ru) 2.7 (1999)+	6.3% (8/00)* (Monitoring.ru)			37.4 PCs per 1000 (1999)***
Singapore	1.85 (11/00)++	44.58% ++			436.6 PCs per 1000 (1999)***
Chinese Taipei	4.2 (11/99)**	29% (03/01)**			1.98 million home PCs as of 12/99 (3/01)**
Thailand	1 (3/00)*	1.65% (Newsbytes Asia)*			22.7 PCs per 1000 (1999)***
USA	123.6 (2/00)**	26.2% of households (1999)** 45.33% ++	165 (7/01)++	42% of Households (9/01)** 58% (7/01)++	51% of homes with computers (9/01);** 510.5 PCs per 1000 (1999)***
Vietnam	0.1 (7/00)+	0.13 (7/00)+			8.9 PCs per 1000 (1999)***

Other APEC Internet Statistics

Economy	Residential Broadband Subscribers	% of Females Online
Australia	65,000 (DSL & Cable) (2000)+++	48% (05/01)++
Brunei		
Canada	1.384 million (DSL & Cable) (2000)+++	51% (05/01)++
Chile		
China		
Hong Kong China		44% (05/01)++
Indonesia		
Japan	635,000 (DSL & Cable) (2000)+++	
Korea	6.25 million (bus & residential) (6/01, from U.S. Embassy); 4.313 million (DSL & Cable) (2000)+++	45% (05/01)++
Malaysia		
Mexico	15, 000 (DSL & Cable) (2000)+++	
New Zealand	10,334 (DSL & Cable) (2000)+++	46% (05/01)++
Papua New Guinea		
Peru		
The Philippines		
Russia		
Singapore		42% (05/01)++
Chinese Taipei		41% (05/01)++
Thailand		

USA	5.2 million (residential and small business) (7.1 million total) (8/01)**	52% (5/01)++
Vietnam		

Human Resources Development Steering Group (HRDSG) Report

I. OPENING REMARKS

The HRDSG meeting of APEC TEL24 was held on Sept. 20 at the Shilla Hotel, Jeju, Korea. The Convenor welcomed participants **[Annex 2]** and encouraged them to use the opportunity of the HRDSG meeting for collegiate guidance and discussion of its various reported activities.

II ADOPTION OF THE AGENDA   [Annex 1]

2. Review and approval of the Agenda

The agenda was adopted with the following changes: i) Future training requirement delivered by e-Security Task Group has been added to Item 4; ii) Several informational entries have been added to Item 6; iii) New HRDSG Deputy Convenor Selection for TEL25~TEL28 has been removed. It will be done by the meeting of the head of delegations. The meeting approved the new and the aforementioned changes in the agenda.

III STATUS REPORTS

The Convenor spoke to the various reports that the meeting would be considering and emphasized aspects of their interest and importance to delegates.

Project Progress Reports

3.1 Distance Learning Strategic Needs Analysis Project: CANADA, [HRDSG-10/11/12]

On behalf of Dr. Jack Treuhaft, Canadian representative gave a report on the project.

A survey form was design to collect the requirements and suggestion from member economies, a thorough analysis was done based on the survey result. The requirement including which language should be used for training, What should HRDSG focus on in the future, Which methods of training will be preferred, etc. Based these result, further distance learning project will be developed. After brief discussion the report was noted and accepted. This brings this project to a close.

3.2 MRA Training Design Project: Canada and AUSTRALIA, [HRDSG-14]

The final report of the training design was tabled and an overview provided of the content and methodology by Canada and Australia. After brief discussion the report was noted and accepted. This brings this project to a close.

The MRA Training Delivery Project, already funded, will now proceed to the Request for Proposal stage. Australia, Canada, Thailand and Vietnam agreed to be members of the tender evaluation committee for this project. It is anticipated that a contract can be arranged later this year and training materials development commence in December 2001. Workshops and training for individual economies are expected to start in the second quarter of 2002.

3.3 APEC TEL Interconnection Training Project: AUSTRALIA, [HRDSG-8]

On completion of the Interconnection Resources Project in the Liberalization Steering Group a Request for Proposals is to be issued and a facilitator appointed. The project will consist of a three day training workshop and a one day follow up session, a net based resource and follow up contact with each participant. APEC funds will pay for the workshop facilitator, web page production, speakers and venue hire. The project is expected to start in December 2001 and be completed by March 2002.

3.4 E-Commerce Skills Standard Project: Australia, [HRDSG-6]

Australia reported that the research component of the project was under way with the findings to be presented at a workshop to be held in Singapore in the first week in September 2001, to decide the scope of the skills standards and the framework for writing the standards.

The next component will include another workshop in early 2002 with e-commerce experts from participating economies to help write the skill standards before circulating these to economies for validation. The final products are due in May2002 and will include a general implementation guide. Component three includes expert support for individual economies intending to utilize the skill standards and guide.

3.5 Projects Progress Report: Centre of Excellence Asia&Pacific, ITU-D, [HRDSG-3]

ITU ASP CoE has organized several activities to address current needs for the Asia and Pacific area economies.
Skill Shortage Seminar was hosted by IVE, Hong Kong. This project is in support of the APEC TEL initiative to make a Study on IT&T Skill Shortage and the Way Forward.
OFTA / ITU ASP CoE website (http://www.ofta.gov.hk) has been constructed for the access to the training modules, including: Role of Independent Regulators, Competition Safeguards, Interconnection, Frequency Spectrum Management, Licensing, OCT Legislation.
EduPACT project is proceeding under contract with PECC/TIFF, which emphase on the need to develop the IT literacy of hifh level officials and on the identification

of methodologies to satisfy those needs. More detailed info could be accessed in http://www.pecc.org/edupact.

Policy and Regulation Training Programmes were conducted. A on-line component of this programme was supported by the IDA/GetIT Cirtual Learning Centre. Another similar programme likely to commence in Oct.2001. Feedback shown that this project was very successful.

A two-week workshop, "New Trends in ICT for Regulators and Policy Makers", at Waseda University will be held in the end of this Nov.

3.6   Progress Report on APEC TEL Gender Issues: Canada/Philippines

Due to the absence of the project undertaker, no report delivered at this TEL meeting.

3.7 Vendor Training Project: USA, [HRDSG-2] , [HRDSG-9]

The paper prepared for the meeting showed that the single source for a website for accessing IT training materials from venders from all economies is at the prototype stage and is expected to be completed in October 2001. Following this, formal solicitation for material will be circulated in all economies. Australia commented that this project could link to a number of other TEL initiatives and that there is a need to link some of these projects together to help achieve integrated outcomes.

3.8 EduPACT update report: EduPACT: PECC, [HRDSG-15]

Representative from PECC spoke of the activities recently happened. Those activities include the launch of APEC Cyber0Education Consortium, ICT Training in Singapore, Distance Learning Partnership Projects (DLPP) of APRU etc.

3.9 Projects Closing down:

3.9.1 HRD/HRM resource sharing program: Korea   **[HRDSG-7]**

Purpose of the project is to facilitate the construction of the APII and closing the digital divide among member economies by sharing HRD information such as HRD-related programs/facilities within the Asia Pacific region.

At the 15th APEC TEL Meeting, Republic of Korea presented a draft construction plan for the construction of HRD/HRM Database, which was first proposed at the 14th Meeting. The construction plan was approved by the HRDSG and it was decided that Korea would work with the Philippines on the project.

Since the 19th APEC TEL Meeting, no progress has been made. Due to the lack of source of data from constructing the database, the project has faced difficulties to proceed. And Republic of Korea would like to close this project.

3.9.2 Distance Learning Strategic Needs Analysis Project: CANADA, **[HRDSG-10/11/12]**

Based the survey result analysis, further distance learning project will be designed. This brings this project to a close.

IV. Discussion of Issues Raised for HRDSG with other Steering Groups

The e-Security Task Group delivered a report, Future Training Requirements: **[HRDSG-13]**.

The eSecurity Task Group is working on a number of projects that may eventually generate requirements for human resource development. The Task Group is currently examining eCommerce legislative approaches, development of interoperable PKI schemes and a number of measures aimed at the protection of information infrastructure and networks. Once these projects have been completed, there may be a requirement to either develop training material or training programs to assist officials and the private sector in implementing the outcomes of these projects.

It should be noted that the Task Group has already developed a project in consultation with HRDSG on the supply of training material on IT security. That project is now being undertaken by HRDSG with imminent availability of curricula materials .

At this stage it is too early to identify specific projects or requirements. As requirements are identified they will be forwarded to HRDSG for implementation.

HRDSG members expressed the view that HRDSG would like to work together with other steering groups to development other projects to facilitate various APEC TEL tasks.

V. Activity and Future Workshop in the future

The convenor introduced the e-APEC strategy and collected the views to the coming TELMIN5.

The HRDSG suggested a seminar could be held in the next TEL meeting in Hanoi, to address the project, workshop and seminar application procedure. The convenor and deputy convenor encouraged HRDSG members to make their efforts on creating new projects in various fields to enhance the Human Capacity Building for the development of regional economies, and at the same time to enhance the collaboration with other TEL steering groups.

IV. Information Items

6.1 User Needs in E-Business: Australia

The report "APEC e-business: what do users need?" was presented by Australia. The report contains a model on page 81, that is useful for assessing e-commerce initiatives for resolving business needs and technology solutions. Such a model, or further refinements of it, was considered to be useful in:
- Establishing an e-business co-ordination framework identifying which APEC projects are conducting activities relevant to each area in the framework;
- Assessing skills training needs and gaps.

It is noted that e-business solutions are likely to vary dramatically according the size of the organization, with large corporations and government on the one hand, down to SMEs and micro-businesses at the other. One key differentiator in terms of skills and training needs is the degree to which organizations build e-business infrastructure themselves or buy products and services supplied by third parties. Others include jurisdictional, linguistic and cultural issues that need to be addressed for businesses that wish to trade across borders. Ideally, skills and training will cover both developers and acquirers for large and small e-business initiatives, within and across economies.

The HRDSG agreed to put forward the following recommendation, that:

1. Due to the rapid rate of change in many areas, some economies may wish to take advantage of existing training and awareness-raising activities that cover some of these technology issues, before an APEC program is developed. Economies wishing to avail themselves of training related to some of the Technology Solutions areas are advised to contact the Australian Point of Contact to explore possible options for training delivery

2. A funding proposal be prepared for the next TEL meeting that aims to meet the training delivery needs of economies that have been unable to avail themselves of the Technology Solutions training options

3. A funding proposal be prepared for the next TEL meeting that aims to develop and deliver training based on the Business Needs area of the model in the report and the outcomes of the EC Best Practice for SME's in the APEC Region report, tabled at the Business Facilitation Workshop. Expected focus would be the use of common small business models and related tools in an e-business context and
how to acquire, monitor and assess the value of services provided by ASPs.

6.2 Progress report on Human Resource Development Program: Korea, **[HRDSG-4]**

The APII Cooperation Center, under the commission of the Ministry of Information and Communication (MIC) of the Republic of Korea, has been the responsible body in the overall management and operation of the human resource training and education programs for telecommunications specialists from developing economies around the world.

The program first started in 1998 with two (2) programs – the International Telecom Human Resource Training Program and the APT (Asia Pacific Telecommunity) Training & Study Visit Program. Starting 1999 another program called the Fellowship Program for Next Generation Telecom Leader was organized.

For more detailed information on the above programs please visit the APII Cooperation Center hompage: http://www.apiicc.org/at/ittp.html

6.3 APEC Distance Learning Project on Telecommunications Technology: Korea, **[HRDSG-5]**

Project proposal submitted at the 23rd APEC TEL Meeting

APEC Fund for year 2002 approved ($19,000) at the BMC meeting in August. Project plan has been reported by KTLC:
* Phase 1: Course and text development(Jan. ~ May, 2002)
* Phase 2: Distance learning programming(Jun. ~ Jul, 2002)
* Phase 3: Distance learning service delivery(Aug. ~ Nov. 2002)
* Phase 4: Assessment(Dec. ~ Jan. 2002)

Advanced telecommunications technology courses to be offered, including:
- IMT-2000
- ATM technology

6.4 Message from APEC HCB meeting, Beijing, 2001

On request from the APEC TEL Secretariat, HRDSG convenor has attended the APEC High Level Meeting on Human Capacity Building. The meeting was organized by the People's Republic of China and Brunei Darussalam in 15~16 May 2001, Beijing.

The convenor reported the meeting events to the HRDSG. The meeting addressed the importance of strengthening human capacity building be an objective requirement of social-economic development in the Asia-Pacific region. The Beijing Initiative on Human Capacity Building was setup, it will highlight the future working direction for the APEC member economies.

VII. Convenorship Arrangements

Assumption of the new HRDSG convenor.

The Acting Convenor (China) , thanked all the member economies for the cooperation and support they have gave the HRDSG convenor for the past 2 years. He express the will that HRDSG members provide continuous support to his successor, Dr. Inuk Chung, REPUBLIC OF KOREA. The new HRDSG convenor, Dr.Inuk Chung assumes the HRDSG convenorship and asked for everybody's support for the great tasks lie ahead.

Australia delegate took turns in expressing gratitude for the achievements of the outgoing Convenor Prof. MA Yan for the achievements of the past TEL meetings.

Since the current HRDSG Deputy Convenor of the Republic of Korea, will assume the convenorship of the HRDSG, the Deputy Convenor position has been declared vacant. The new deputy convenor will be nominated by the head of the delegation meeting.

A. Attachment 1: Human Resource Development Steering Group Meeting
20 Sept. 2001

AGENDA

1. Opening remark

2. Review and approval of the Agenda

3. Project Progress Reports:

3.1. Distance Learning Strategic Needs Analysis Project:CANADA,[HRDSG-10/11/12]

3.2. MRA Training Design Project: Canada and AUSTRALIA, [HRDSG-14]

3.3. APEC TEL Interconnection Training Project: AUSTRALIA, [HRDSG-8]

3.4. E-Commerce Skills Standard Project: Australia, [HRDSG-6]

3.5. Projects Progress Report: Centre of Excellence Asia&Pacific, ITU-D , [HRDSG-3]

3.6. Progress Report on APEC TEL Gender Issues: Canada/Philippines

3.7. Vendor Training Project: USA, [HRDSG-2] , [HRDSG-9]

3.8. EduPACT update report: EduPACT, PECC, [HRDSG-15]

3.9. Project Closing down:

3.9.1. HRD/HRM resource sharing program, [HRDSG-7]

3.9.2. Distance Learning Strategic Needs Analysis Project: CANADA, [HRDSG-10~12]

4. Discussion of Issues Raised for HRDSG with other Steering Groups

4.1. e-Security Task Group Future Training Requirements: Australia, [HRDSG-13]

5. Activity and Future Workshop in TEL25

5.1. e-APEC and TELMIN5

6. Informational item

6.1. User Needs in E-Business: Australia

6.2. Progress report on Human Resource Development Program [HRDSG-4]

6.3. APEC Distance Learning Project on Telecommunications Technology, Korea, [HRDSG-5]

6.4. Message from APEC HCB meeting, Beijing, 2001

7. Convenorship Arrangements

7.1. Assumption of the new HRDSG Convenor – Dr. Inuk Chung, REPUBLIC OF KOREA

B.   Attachment 2: Registered Participant List for the HRDSG Activity

Total: 53   Economies: 14   Guest: 1

Delegation	Name
Australia	Leo van Neuren
	Maurie Dobbin
	Richard Thwaites
	Libby Quinn
	Melissa Dezwart
	Stepen Robert Orlowski
	Theodore Polites
Brunei Darussalam	
Canada	Kathy Fisher
	Vicki Schouten
	Andrew Kwan
	Henry Mar
	Jack Treuhaft
	Peter Perguson
Chile	
China	Wenchu Qu
	Yan Ma
Chinese Taipei	Ming-chi Hu Kuo
	Hsiu-Fang Chou
HK, China	Wing Kan Leung
Indonesia	Ashar Budiman
	Sri Rahayu
Japan	Kenji Tanaka
	Takashi Ato
	Yukihito Homma
	Hisanori Nishino
	Eiji Aoki
	Shin-ichi Nakagawa
	Yuko Komaki
	Yoji Suga
Malaysia	Anbalagan Kannan
Mexico	Salma Jalife
Paua New Guinea	
Peru	
Republic of Korea	Gil-young LEE
	Byung-dug OH
	Inuk Chung
	Na John
	Christine Paik

Singapore	Chutintorn Gongsakdi
	Sin Liang Cheah
Thailand	Hataitip Chairojkanjana
	Sudaporn Vimolseth
	Hataitip Chairojkanjana
	Somsak Siripattanakul
USA	Joseph Perry Richardson
	Brooke Carlton Holmes
Vietnam	Duc Lai Tran
	Thanh Hung Nguyen
	Duc Trung Nguyen
	Vu Ha Tran
	Thi Boi Lan Nguyen
	Tam Phan
	Quang Cuong Tran
	Thi Dao Nguyen
	Thi Phuong Thao Nguyen
PECC	Prof. SAGA

Report of the LSG

The Liberalization Steering Group (LSG) met September 19-20, 2001. In the absence of the LSG Convenor and Deputy Convenor, Joseph Richardson (USA) chaired the meeting. The meeting approved the agenda (doc. LSG/01) with the addition of an item to review the TEL's response to the Osaka Action Agenda update. Following agenda items 1 and 2 where no further action was required, the LSG took the following actions.

Osaka Action Agenda

The LSG reviewed the draft language contained doc. PLEN/20 and agreed to recommend that the TEL adopt the following language:

"In accordance with the Cancun Declaration, APEC economies will:
    a. Work to bridge the digital divide at the domestic, regional and global levels, and to cooperate and collaborate with the business/private sector in this effort.
    b. Foster discussions between business/private sector and governments on appropriate means to assess and reward the value of products and services exchanged in the provision of converged Internet services among APEC economies, consistent with the APEC Principles on International Charging Arrangements for Internet Services.
    c. Foster the development of effective policies that support competitive markets in the domestic and international telecommunications and information industries.
    d. Accelerate the pace of implementation of the Mutual Recognition Arrangement on Conformity Assessment for Telecommunications Equipment (MRA).
    e. Work to ensure that policy and regulatory environments better foster the uptake of e-commerce.
    f. Implement within voluntary time frames the APEC Interconnection Principles and consult on the need for further discussions on interconnection.
    g. Give attention to user requirements for open standards and systems to support interoperability.

"In addition, APEC economies are encouraged to conform, where appropriate, to:
    1.   The WTO Telecommunications Regulatory Principles Reference Paper;
    2.   The Information Technology Agreement (ITA); and,
    3.   *The Guidelines for Trade in International Value-Added Network Services (IVANS).*"

3. Convergence

3.1 Regulatory Structures Project
Australia thanked the contractors of Phase One of the project, CPK Communications and the Conrad Group, for their work in completing the Regulatory Outlook document that had been provided some weeks earlier to points of contact, and that provides a good base of information for the continuing work. The workshop on Regulatory Structures to be held on

Thursday would introduce Mindel de la Torre from Telecommunications Management Group; the project team that has been selected for Phases Two and Three of the project. A formal report on this project is in TEL24/LSG/2. TMG's desk study was circulated for participants in the workshop. Australia urged delegates to support the workshop which was proceeding under extraordinarily difficult constraints affecting the Washington-based consultant, and noted that the issues were very important to all economies struggling with the development of appropriate regulatory arrangements that would assist them in their adjustment to a converged communications environment in the context of a competitive market. In Phase 1, which commenced in January 2001, initial research and compilation of data on APEC economies by the contractors was amplified with further research gathered at TEL 23. Phase 2 will analyse data collected in Phase 1 to identify common issues and processes of convergence. Phase 3, to run in conjunction with Phase 2, will develop the set of options for the establishment of a regulator to manage a 'converged' environment.

3.2: Convergence Round Table
Singapore, as the organizer of this project, introduced this item noting the success of the regulator's roundtable at TEL 23 and proposing to organize a roundtable at TEL 25. Note was made of several potential opportunities for regulators to meet during the coming period, including at TELMIN 5 in May, and that a roundtable at TEL 25 would assist in development of issues for TELMIN 5. Note was also made of the importance of selecting topics for the roundtable. TEL 23 had identified some topics. In addition, the impact of convergence on universal access was suggested as an important potential topic for consideration. The LSG proposes that a regulator's roundtable held at TEL 25 with the level of participation to be decided later. TEL members were invited to suggest topics for the roundtable and to provide these to Singapore, contact Mr. Cheah Sin Liang at cheah_sin@ida.gov.sg.

3.3-3.4: Mr. Lee Jae-Hyung, Deputy Director, Information Network Division, Ministry of Information and Communications, Korea, made a presentation "Korea Information Infrastructure (KII) and Broadband Service," and Mr. Lee Sang Moo, Deputy Director, Enhanced Communication Division, Ministry of Information and Communications, Korea, delivered "A Proposal to Promote Mobile Internet Business." Both presentations were noted with interest.

4. Mutual Recognition Arrangements
The Chairman of the MRA Task Group, Mr. Andy Kwan (Canada) was unable to attend TEL 24. Mr. Ian McAlester and Mr. Theo Polites presented reports on the MRA meeting, the MRA Implementation Support Project and the MRA Management System. They provided an update of their progress in implementing the MRA. A number of economies indicated substantial progress in establishing the necessary regulatory structures to accommodate the MRA (further detail of MRA progress is contained in the Final Report of the MRA Task Force, Document LSG/21).

The aims, objectives and status of the MRA Training Delivery Project were discussed. The Request for Tender for this important project will be issued soon and the first training workshops are expected to begin in early 2002. Task Force members strongly endorsed this project.

Australia reported that the lack of financial support threatened the continuation of MRAMS development. However, APLAC funding has recently been made available and a substantial grant of A$200,000 by AusAID, an Australian aid agency, has provided funds to support the

system at a minimal level for a further 18 months. Task Force members were urged to seek out sponsors from within their economies to ensure the system achieved its full potential. The Chair noted that the MRA was clearly one the success stories of APEC and the TEL, and encouraged TEL members and members of the MRA Task Group to find ways to package the success to encourage greater recognition and use within APEC and APEC economies.

Presentations were also made on the role of APLAC and the use of Suppliers Declaration of Conformity within the MRA context. A number of issues raised in the Task Force meeting have been referred to the Joint Committee for more detailed consideration.

The MRA Task Force requests a full day meeting on the Tuesday preceding the plenary session of TEL 25 and a half day session for the MRA Joint Committee meeting. The LSG supports this request.

5. Interconnection:

5.1 Interconnection Training Project

Australia submitted a document on this project - TEL 24/LSG/5. TILF funding is now available and the project will commence on completion of the current Interconnection Resources project with the selection of a facilitator. Australia noted that the report indicated a tight timetable for the project, which would be discussed with the APEC Secretariat, and that it was hoped that the facilitator could be engaged before the end of November 2001. Given the high level of interest in the issues raised in the workshop, Australia urged interested economies to support this HRD project, which would be managed through the HRD SG, and to encourage participation by the most appropriate people in each economy. The project involves a three-day training workshop and a one-day follow-up session, a net-based resource and follow-up contact with each participant.

5.2 Interconnection Resources Project

Australia reported that on Tuesday, Dr Eric Ralph led a workshop on the Interconnection Project, which is now nearing completion.   A formal report on this project is in document TEL24/LSG/7. Stages 1 (analysis of recent published documents and data) and 2 (preliminary design of information tables and explanations) of the project were completed some time ago.   Stage 3, involving discussion on interconnection policy in member countries and the provision of assistance in developing options for future directions, is now being completed. A policy paper, elaborating on some of the recommendations by the contractors, was provided to the meeting and APEC TEL members have been surveyed on some key questions. Dr Ralph provided an overview of the progress of the work and answered a number of questions about the key issues, and about the 'flow chart' or 'decision tree' that had been developed as an aid to APEC members wrestling with interconnection pricing issues. The work is now near completion and the final report will be settled in conjunction with the Australian delegation and other members of the oversight committee.

6. Wireless Commercial Services

Mr. Noh Ik Park, Senior Deputy Director, Telecom Planning Division, Ministry of Information and Communications, Korea, made a presentation of "Current Status of 3G and Policy Direction in Korea. Discussion was also invited on documents LSG/08 and LSG/17

that had been submitted to TEL 24. That discussion centered on the use of virtual networks as an option for developing competition in the wireless market. Unfortunately, the submitters of these documents had been unable to attend TEL 24. It was agreed that wireless commercial services should be taken up at TEL 25. The LSG noted that the DCSG had favorably considered a proposal for a workshop on undeserved areas at TEL 25 of which wireless would be one topic. The LSG endorsed this proposed workshop.

7. Internet Development

Mr. Owen Best, Vice President, FLAG Telecom, made a presentation on backhaul markets in Asia. Other speakers on this issue had been unable to attend TEL 24.

Mr. Bo-Hwan Lee, Deputy Director, Telecommunications Business Promotion Bureau, Korea, made a presentation on "Local Loop Unbundling System in Korea." Mr. Richard Thwaites presented document LSG/12 outlining a range of issues the LSG could consider in regard to local loop unbundling (LLU). Note was made as to the importance of LLU to consumers and the need to refer back to principles of interconnection when addressing LLU. Note was also made of the need to keep an open mind in regard to LLU and to consider the impact of regulatory decisions on investment.

The LSG agreed to continue to examine the issue of LLU taking into account the points contained in document LSG/12 (page 2) as well as the issue of investment and to include an agenda item on this topic at TEL 25.

8. New Proposals

The USA introduced as a topic for discussion at future LSG meetings "Organizational and decision-making issues in liberalized markets (Document LSG/14). It was agreed that these issues deserved airing and economies were invited to offer presentations on this subject at future LSG meetings.

Report to the Plenary TEL 24 on the Internet Issues Task Group

In a message read to the Final Plenary, the Chair of the Task Group said she would like to thank all who made an extra effort to support the work of this Task Group, to all the contributors to the Virtual Forum and the Workshop that took place on Monday, particularly since she was not able to attend the meeting.

The Chair recalled that the first IITG Workshop was held in March 2001, at TEL23 in Canberra, Australia. Three presentations from that seminar are now available on the TEL website. (see the IITG Report to TEL23 Plenary, Doc # telwg23/plen31).

Also at TEL23, the Task Group agreed that the Task Group Chair should organize an electronic "Virtual Forum" using email and website posting of views and proposals from economies. A small oversight group had been nominated to advise and assist the Task Group Chair in ensuring that any contribution is relevant to the Forum and is done from an authorized APEC TEL participant. The Chair suggested that opinions about contributions should be expressed only after they are posted for general discussion. In this way, the Forum can move to an active debate. The Oversight Group consists of Korea, China, USA, Canada and Australia.

In July 2001, with the valuable help of the TEL website administrators, the Chair of the IITG launched the Virtual Forum at: http://www.apectelwg.org/apec/atwg/board/list.html The Chair reminded the Group that instructions to use the Virtual Forum are posted on this website, together with welcome message from the Chair which contains a working schedule for discussions in the Virtual Forum, pointing towards the response of the IITG to be delivered to TELMIN5. Up to now, there have been four substantive contributions to the Virtual Forum. All of them are from China and are related to International Internet Settlement Methods.

The IITG Workshop was held on the afternoon of 17 September. As the Chair of the Task Group was unable to attend, she had requested the former Chair, Richard Thwaites, to chair the Workshop. Some of the planned presenters were also unable to attend, but where possible their presentations were made on their behalf. The Workshop received the following presentations:

Current State of the debate on Internet Issues in different international organisations, slides was presented on behalf of Ricardo Rodrigues, COFETEL, Mexico.

Dr Ang-san Lee (Korea) provided *an introduction to the work of the Asia-Pacific Telecommunity Study Groups related to Internet routing* in the Asia-Pacific region.

FCC's recently released *2000 year-end Circuit Status Report*, was delivered by Mr Joe Richardson on behalf of Ms Irene Wu (USA) who was unable to be present.

Pacific Islands Internet Providers, was presented by Dr Frank March (New Zealand).

A proposal on *A method for settlment of international internet circuits* was presented by Mr Zhao Ziming (China).

A proposal on a M*easurement Tool on International Internet Traffic* was presented by Dr Sang-hoon Lee (Korea).

Small ISPs in Thailand was presented by Mr Somsak Siripattnakul (Thailand).

These contributions will be posted for information to the Task Group area of the TEL website.

Discussion in the workshop focussed on the challenge of answering the requirements of Ministers for a report to TELMIN 5 on charging arrangements and on the means to accelerate the accessibility of broadband access in the Asia-Pacific region. Mostly the discussion covered the two proposals from China and from Korea on settlements and measurement of traffic. China's proposal centred on assessing shares of total cost of bilateral service in proportion to the attributable benefit of particular traffic streams. Korea's proposal centred on methods of analysing Internet traffic so as to identify the benefit of traffic stream components, using various tecniques of application identification through packet sampling.

Questions were raised, particularly by the USA representative, concerning the applicability of general settlement and measurement methodologies to market-based Internet service charging arrangements. Singapore and other speakers generally supported the settlement approach suggested by China, and called for more work in developing the proposal. The acting chairman requested the Task Group to consider the possibility of providing practical examples of implementation of these proposed approaches in relations between ISPs, either internationally or within particular economies, in order to support proposals to Ministers. Korea indicated this could be difficult within the available time-frame before TELMIN 5, but indicated that they would try to develop more applied models of their proposals, using actual examples of ISP traffic data.

The work is proposed to be continued through the use of the Virtual Forum, and for further consideration at the next workshop in association with TEL25.

In her message to the Task Group, read to the final Plenary of TEL24, the Chair suggested that in order to report some real progress to the Ministers at TELMIN 5, it would be very good if the Task Group could report that some ISPs had actually put into practice some of the proposals that have been made from APEC economies, or even if the economic effects of putting these into effect had been modeled against real-life data from particular traffic streams. Any model to be adopted should be applicable, in principle, to any stream of Internet traffic, including trans-Pacific traffic and traffic with in economies between ISPs.

The Chair encouraged work to go forward in the context of the Virtual Forum, and looked forward to continue exchanging our ideas. She proposed a working schedule:

- From Wednesday October 3th 2001 to Wednesday 9th January 2002, exchange of ideas and discussion through contributions submitted to the VF.

- With this information the Chair will prepare a "first Draft Principles for Internet Issues" that can be improved by exchanging versions of this document through the VF, and get a more robust draft. This draft can be discuss until the previous Wednesday before TEL25

- At TEL25 there will be live discussions on Draft Principles.

- If necessary, Virtual Forum discussions may continue from second Wednesday following TEL25 to previous Wednesday before SOM meeting to TELMIN5.

Salma Jalife
Chair, Internet Issues Task Group