ANSI Annual Conference

Panel III: "Wireless/Telecom Case Study"

Moderator's Remarks

Les Eastwood

I'm Les Eastwood, Chair of ANSI's Asia-Pacific Regional Standing Committee. I'll moderate our Panel III, "Wireless/Telecom Case Study".

First, I need to say that, because this session starts by focusing on WAPI, we should call our session "A Case Study in Information Technology, Wireless and Telecom".

So why a case study on IT, wireless, and telecom? The short answer is that China is huge in this space. Already, by some measures, China's the biggest in the world. And its growth potential is almost unlimited.

Some statistics make this point. In July of 2004, China's fixed-line telephone subscribers numbered 299 M, and its wireless or mobile ones, 310 M.   These are the largest numbers of any country. For example, the figure for mobile subscribers is about double the US's. Yet the penetration of mobile phones in China is still less than 25% of the population.

On the IT side, Internet users in China numbered 87 M in July, a penetration of only 9%. This is already about half the number using the Internet in the US, but here the penetration is already 60%.   So there's room to grow in China.   And the growth is very fast; China added 14M new Internet users just between January and July of this year.

It will be no surprise to you that China is also very important in international trade in Information and Communication Technology or ICT. As just one example, so far this year, China has been exporting about $1B worth of cellphones every month, double last year's rate.

Furthermore, China is well aware of the importance of intellectual property rights or IPRs in trade and in standards. For example, Zhang Qi, Director General of China's Ministry of Information Industries, Department of Electronics and Information Technology Products, has said, "Owning independent IPRs and winning the initiatives in setting industrial standards should be top priorities for domestic manufacturers. Without independent IPRs, domestic makers are vulnerable to patent disputes and will be in a very unfavorable position when competing with our foreign counterparts."

This panel's case study has been perhaps the most prominent IPR-related international China-US trade issue in the last 12 months. Certainly it's been the focus of attention in the ICT industries.

The issue in our case study is WAPI, or Wireless LAN Authentication and Privacy Infrastructure. In 2003, the Chinese government decided it would go its own way in WLAN security standards. Instead of the IEEE 802.11 draft security standard, China decided to mandate its own WAPI standard. Furthermore, to give its domestic vendors an edge, China disclosed the required encryption algorithm only to a

select set of domestic manufacturers, including powerhouses Huawei, ZTE, and Legend. Foreign vendors would have to partner with these domestic companies to sell wireless LAN in China.

Our first speaker, Ann Rollins, will tell us the WAPI story from inception through its apparent resolution in April of 2004. Ann Rollins is Director, Technology and Trade Policy, at ITI (the Information Technology Industry Council).

Our second speaker, Anne Stevenson-Yang, covers the potential impact to the ICT industries, both in China and globally, of Chinese efforts to define country-specific ICT standards. She analyses some of China's motivations in doing this. She'll use WAPI and other initiatives as examples.   Anne Stevenson-Yang is Managing Director of USITO (the US Information Technology Office) in Beijing.

Our third speaker, Sandy Block, covers specific intellectual property issues, both in WAPI and in other example ICT standards initiatives in China. Sandy is Consulting Staff IP Attorney at IBM.

Our fourth and final speaker, Dr. Jim Carlo, presents on the IEEE (Institute of Electrical and Electronics Engineers), the standards organization that developed the 802.11 series of wireless local area network standards.   He'll tell us about the relationship that IEEE is building with the Standardization Administration of China. Also Jim will update us on some breaking news about WAPI. Jim is the President of the IEEE Standards Association.

After the four talks, we'll have a Q & A session with the four speakers. This panel Q & A promises to be really interesting, so please note down your questions and hold them till then, to give us maximum time for this interchange.

Now I'd like to bring up our first speaker, Ann Rollins of ITI. (Moderator will not reappear until after Jim Carlo finishes; each speaker can name the person following).

(After Jim's talk):   Speakers, please take your places for the

Q& A. Audience, while they're doing that, let's show our appreciation

for these four fascinating talks.

OK, audience, now's your opportunity to talk back.   We have about

(10-15?) minutes for questions. Questioners, please identify the

panel member or members you're directing your question to.

Sample question to get things started in case we have a few

moments of silence:

For anyone on the Panel: How does the new WAPI initiative in

ISO/IEC JTC 1 differ from the last time we saw WAPI back in April?