

Our Common Agenda: Global Digital Compact

Statement of Priorities (revised)

The U.S. Council for International Business (USCIB) believes that digital technologies and the online environment enabled by them present an unprecedented opportunity to grow the global economy, bridge inequalities through access to information and opportunity by raising productivity, foster creativity and innovation, build trust, and expand societal engagement and exchange. USCIB therefore applauds the UN Secretary General's inclusion of the proposed Global Digital Compact (GDC) as part of Our Common Agenda.

Key to realizing the developmental benefits of digital transformation are policies that support an enabling environment for technology innovation. Such policies may address economic, social/cultural, technical, and governance issues, all of which are interlinked and cross-cutting. This holistic approach best ensures the development of an open, safe, highly secure, stable, interoperable, seamless, and sustainable digital ecosystem with the potential to close development gaps and address other inequities. In short, this is how the suggested GDC objectives can be achieved.

USCIB regards the following issues as key to realizing improved digital cooperation:

<u>Infrastructure</u>, <u>Connectivity</u>, and <u>Spectrum</u> – Access to connectivity is an imperative to the achievement of the Sustainable Development Goals (SDGs). The benefits of digital transformation and the GDC's proposed aspiration to connect all people to the Internet, including all schools can only be realized if there is adequate broadband infrastructure and spectrum. In its most recent official statistics, the International Telecommunication Union (ITU) found that more than 2.9 billion people are not using the Internet, 96% of whom live in developing countries.¹

Lack of affordable financing is a critical inhibitor to the growth of Internet Service Providers (ISPs) in developing countries. If we are to succeed in connecting the unconnected, it is critical that International Financial Institutions as well as developed and developing countries alike do more to incentivize new financing models, included blended finance and multistakeholder partnerships, to support the build-out of broadband infrastructure as well as wireless devices and other related aspects of a rapidly evolving digital ecosystem.

For connectivity to be people-centered and meaningful, we need to go beyond universal access. We support the Roundtable on Global Connectivity's baseline and targets for meaningful connectivity as well as the inclusion of five connectivity enablers, including infrastructure, affordability, skills, devices, and safety and security.

In addition, the availability of licensed spectrum for exclusive use and shared use as well as unlicensed use has an important and complementary role in promoting the accessibility of the Internet and its developmental potential. There are many important uses of spectrum, including broadcast and mobile broadband as well as for Wi-Fi. Effective and technologically neutral management of this increasingly scare

¹ 2021 edition of Facts and Figures, https://www.itu.int/itu-d/reports/statistics/facts-figures-2021/

resource must be a priority for UN members while ensuring the integrity of services offered by existing spectrum license holders.

<u>Multistakeholder Governance Approaches</u> -- The global digital ecosystem benefits when government policymakers work in close cooperation with business, civil society, academia, and the technical community. Given the rapid pace of technological change, governments need the perspectives provided by these stakeholder groups to better understand what policies are commercially viable, technically feasible, and offer adequate personal privacy protections. Such stakeholder inclusion also can lower the risk of unintended consequences and increase the legitimacy of policies that are adopted. The UN has been at the forefront of establishing a multistakeholder approach as the norm.² As such, the GDC should reinforce this principle and actors should endeavor to carry out multistakeholder processes for Internet governance, while not duplicating existing forums and instead leveraging and strengthening existing forums and workstreams. The GDC can also serve as a centralized medium for workstreams related to digital development and inclusion.

Avoid Internet Fragmentation – The remarkable success of the Internet as a communications tool is grounded in its design as an open, interconnected, and interoperable network. Particularly in support of achieving the UN Sustainable Development Goals (SDGs), we must promote this design. However, various technical, legislative, and policy developments - including restrictions on data flows, interference with free expression, techno-protectionist initiatives, and Internet shutdowns - have in recent years caused the Internet to fragment and digital divides to grow. Whether taking place at the technical, network, or application layers of the Internet, this fragmentation is undermining the open, interconnected, and interoperable Internet and consequently undermining the associated benefits to social and economic development as well as harming human rights.

We therefore warmly welcome the Secretary-General's proposal to have Internet fragmentation included as part of the GDC. The GDC should call for harmonization in global approaches to Internet governance that promote free flows of data, encryption, and rights to freedom of expression and privacy online. We note that the Internet Governance Forum has recently established a Policy Network³ to explore these issues, which should provide helpful input as to how these issues can be understood and addressed. Further underscoring the urgency to address Internet fragmentation, we note that USCIB has endorsed principles to help protect and open, interconnected, and interoperable Internet.⁴

<u>Free Flow of Data Across Borders</u> – USCIB embraces the view that the free flow of data and information is critical for economic recovery and growth, as well as advancement of the SDGs. Policies that facilitate the adoption of new technologies and the global movement of data and information will enable all citizens and companies to realize the full potential of the Internet as a platform for innovation, economic growth, and gender equality. Digital technologies can provide women with tools to feel more secure, access education and healthcare, and obtain financial resources.

The proliferation of government-mandated requirements to process or store data locally, use or develop technology locally, use local content or comply with specific technical requirements serve as onerous barriers to cross-border flows of data. Such localization requirements – as well as differences in domestic approaches – hurt domestic economies and jeopardize the very privacy and security they aim to safeguard.

² The UN-sponsored World Summit on the Information Society in 2003 and 2005 set the foundation for a multistakeholder approach to the governance of ICTs.

³ https://www.intgovforum.org/en/content/policy-network-on-internet-fragmentation

⁴ https://www.gp-digital.org/an-open-interconnected-and-interoperable-internet-joint-letter/

The GDC should encourage collaboration on the interoperability of frameworks to promote the flow of data and explicitly oppose restrictions on data flows, while upholding privacy standards, recognizing the ongoing evidence-based work by the OECD on the topic.⁵

Indeed, in line with Our Common Agenda's call to establish a Digital Commons as a global public good, it would be valuable to look at the societal benefits that can be accrued from open data – finding ways to share and collaborate around data to make decisions, improve efficiency, foster scientific discovery and innovation, and tackle some of the world's most pressing societal challenges, including fights COVID-19. The GDC could also offer definition and clarity into the notion of a "global digital commons" and what it exactly entails.

Another way in which the GDC could help build a Digital Commons is to provide backing for the concept of Digital Public Goods, as promoted in the Secretary-General's 2020 Roadmap for Digital Cooperation. Digital Public Goods (DPGs) are open-source software, open data, open AI models, open standards, or open content that adhere to the standard⁶ developed by the Digital Public Goods Alliance. One of the DPG standard's indicators is relevance to the Sustainable Development Goals (SDGs), and DPGs can be seen as a tool to accelerate achievement of the Agenda for Sustainable Development.

Complementing this USCIB encourages the GDC to consider the OECD Recommendation on Enhancing Access to and Sharing of Data to maximize the benefits of data while protecting the rights of individuals and organizations.7

Importance of Trust and Security - By the same token, U.S. business realizes that the benefits of digital transformation enabled by data flows will only be realized and embraced by consumers, businesses, and governments who trust the online environment and feel confident that the privacy of their personal data will be respected and that their online systems are secure. We agree with the GDC's call for data protection. Business remains committed to complying with applicable privacy regulations and recognizes its responsibility to adopt best practices to ensure that personal data and information is appropriately secure as technology and services evolve.

We further recognize that a risk-based, voluntary approach to online security, which leverages international standards such as those adopted by the ISO, is essential to ensuring a secure, stable, and resilient Internet ecosystem. We believe that trust in the online environment is best achieved through privacy and security protections that do not unnecessarily restrict the free flow of data across international boundaries and are globally interoperable. Stakeholders should ensure that security principles do not promote fragmentation. In addition, the work should not duplicate or conflict with ongoing workstreams in the UN, including but not limited to the Open Ended Working Group on Cybersecurity (OEWG) 2021-2025 and the Ad Hoc Committee on Cybercrime. These various UN workstreams have recognized cybersecurity as essential to international security and the security of users online, as have ongoing efforts by companies to curb the harms from bad actors in cyberspace. We welcome the link between digital trust and security in the Secretary-General's Roadmap for Digital Cooperation, and look forward to further consultations with companies in developing and deploying ICT further in a trustworthy manner alongside the UN through multistakeholder processes and partnerships.

⁵ https://goingdigital.oecd.org/data/notes/No21_ToolkitNote_PrivacyDataInteroperability.pdf. In addition.

https://www.oecd.org/digital/ieconomy/privacy.htm

⁶ https://digitalpublicgoods.net/standard/

⁷ https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0463

Online Safety and Well-being in the Digital Age - Fostering trust also involves ensuring a safe and empowering online experience. USCIB recognizes the shared challenge of embedding safety online and encouraging multistakeholder cooperation to help individuals, especially youth and vulnerable groups, make healthy decisions online, stay safe, build resilience, and thrive in the digital world. This includes not only committing to privacy and safety-by-design but ensuring digital experiences enable children to grow constructively and develop 21st century skills like creativity, problem solving and critical thinking.

The protection of users' – and thus human – rights is core to the UN's mission, and core to protecting the safety of users online. The GDC should also name the shared responsibility of governments to enable open, public discourse online and refrain from censoring speech, as well as ensuring connectivity and access to the Internet and digital platforms and products. This framework can advance the goals outlined in the Secretary-General's Roadmap on Digital Cooperation in relation to digital human rights and enable further discussion around guidance and gaps.

We encourage innovative approaches, such as the application of Artificial Intelligence (AI), to help enhance efforts to address harmful content. We urge the GDC to consider existing recommendations such as the OECD Recommendation of the Council on Children in the Digital Environment, which was also recognized by the 2021 G20 and in the 2021 G7 Internet Safety Principles.⁸ It should also build on the work of the UN system such as UNICEF's programs on Child Rights in the Digital Age⁹ and Responsible Innovation in Technology for Children¹⁰ as well as and the ITU's work on Child Online Protection.¹¹

In promoting better online environments, the GDC should recognize the importance of adopting a holistic approach that incorporates safety alongside individual rights and a person's overall well-being, acknowledging the fact that it is better to manage risks and create opportunities for expression, growth and development rather than mandate sterile digital spaces. This includes educating and equipping individuals with digital skills and literacy, so users are empowered to make informed choices online, navigate risk, and discern mis- and disinformation.

<u>Open Markets and Predictable Regulatory Environments</u> – The availability of digital technology and online services to an ever-increasing percentage of the world's population requires that governments open their markets to competitive ICT and application providers and foreign investment. UN members should support the adoption of predictable, rules-based regulatory environments that will result in a full range of competitive providers supplying services to markets that are currently underserved. We urge that this element be included in the GDC.

<u>Protection of Human Rights Online</u> -- With the advent of the Internet and digital transformation of the economy, U.S. business has sought opportunities to work with governments, regulators, non-governmental organizations, and others to meet the challenges posed by new technologies and to help ensure that the Internet is used to foster an exchange of ideas. We are strongly committed to human rights, including the right to freedom of expression, in line with the UN Guiding Principles on Business and Human Rights. The UN has a track record of engaging the private sector on these issues, including through the Business and Human Rights in Technology (B-Tech) initiative. As the leading UN entity on human rights, the <u>OHCHR</u> plays a key role as a convener and thought leader.

⁸ OECD, Recommendation of the Council on Children in the Digital Environment, 2021. https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0389

⁹ UNICEF, Child Rights in the Digital Age. https://www.unicef-irc.org/research/child-rights-in-the-digital-age/

¹⁰ UNICEF, Child Rights in the Digital Age. https://www.unicef-irc.org/research/child-rights-in-the-digital-age/; UNICEF, Responsible Innovation in Technology for Children. https://www.unicef-irc.org/ritec

¹¹ ITU, Guidelines on Child Online Protection, 2020. https://www.itu-cop-guidelines.com/

¹² OHCHR, B-Tech Project, https://www.ohchr.org/EN/Issues/Business/Pages/B-TechProject.aspx

It is therefore welcome that the Secretary-General has proposed that the GDC should recognize the need to apply human rights online as one would apply those human rights offline. Furthermore, USCIB would like to underscore the importance of transparent, multistakeholder dialogues to advance the goals outlined in the Secretary General's Roadmap on Digital Human Rights, such as addressing protection gaps, discouraging Internet shutdowns, and providing more detailed guidance on the application of human rights standards in the digital age.¹³

<u>Importance of Artificial Intelligence (AI)</u> – USCIB recognizes the potential of AI to address economic, societal, and environmental inequalities. Indeed, we regard AI technologies as computational intelligence that can help subject matter experts to make advances in every sector, enabling innovation and highly beneficial applications in healthcare, agriculture, education, manufacturing, and transportation, among other areas. AI and other virtual/augmented reality technologies are just at the beginning of commercial deployment and will continue to evolve and develop.

We believe that existing regulations are sufficient for these services and that any new requirements should be carefully considered in consultation with stakeholders to ensure they are narrowly tailored to address specific concerns as they arise. Consequently, we do not believe that the GDC should get involved in the development of regulation of AI. Premature and overly expansive regulatory activity could have unforeseen consequences that would stunt the growth of these emerging technologies and the benefits consumers could enjoy from their continued development. Rather, it is essential that all stakeholders work together to shape the development of AI to foster trust and broad adoption. This includes educating people about AI's potential for societal good, addressing worries about job dislocation, and reskilling workers so they can stay ahead of the technological curve and seize the benefits of AI transformation.

Importantly, he GDC should not duplicate existing workstreams, such as the OECD's AI Principles,¹⁴ rather they should build on their progress to establish consistent international positions that support effective self-regulation. While regulation is important, it should be risk-based and should not be prescriptive.

<u>Introducing Accountability Criteria for Discriminatory and Misleading Content</u> – USCIB encourages the GDC to consider ongoing efforts and investments by many US companies to strengthen transparency and reporting around how they address discriminatory and misleading content online, and to not duplicate existing and ongoing workstreams for co-regulation and self-regulation.

5

¹³ https://www.un.org/en/content/digital-cooperation-roadmap/

¹⁴ OECD, Principles on AI, 2019. https://oecd.ai/en/ai-principles