



**Medienforum  
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**Ambassador Coats**

*As prepared for delivery.*

I would like to thank the state of North Rhine Westphalia for this invitation to participate in the Medienforum.

On an October day in 1969, researchers working on separate computer processors at UCLA and the Stanford Research Institute connected and began a communication revolution with the words "log in." While the event was little noted at the time, it was the inauguration of a revolution in communications.

Since then, close to 800 million people have logged in. People are communicating, exploring, learning, debating, governing, campaigning, "politicking," shopping, and experimenting on the Internet -- interacting in ways only made possible by information and communication technology.

The Internet has reaffirmed the power of Metcalfe's law, which states that the value of a network increases exponentially as more people connect. There is much to be gained as businesses, nations and citizens of the world are connected online.

Of course, there are challenges that will need to be met in setting the parameters and creating the infrastructure for this new medium -- intellectual property rights, freedom of speech, privacy, access, taxation, as well as abuse, exploitation and illegal and destructive use of this revolutionary medium, and other issues we have not yet encountered.

The United States, in partnership with other governments, international organizations, and citizens of many countries, is committed to assisting people around the globe to meet these challenges so that this virtual world becomes a helpful and productive part of the everyday lives of the world's inhabitants.

Today, driven by convergence, globalization and ever-new technologies, changes in the 21st century are occurring at a staggering pace.

Here in North Rhine Westphalia, as in the United States, I understand annual revenues in the information and media sector in North Rhine Westphalia exploded in the 1990s. The electronic media and the companies that make the technology surpassed the mechanical engineering sector as the state's second largest business segment. New advanced technologies have been one of the major driving forces behind exceptional growth here in this state -- and elsewhere -- and there are no signs of this trend abating.

It has been estimated that nearly 90% of all current scientific knowledge has been produced over just the last 30 years. Judging by both the rate of generation of new technology, and the number of workers globally engaged in science & technology, this knowledge base may double again over the next 15 years. Coping with this accelerating rate of change and complexity will certainly be one of the most significant challenges impacting success and leadership in the 21st century.

And it's clear that those nations, firms, and individuals who succeed will be those best able to adapt to this rapid pace of change.

If innovation and entrepreneurship shaped the 20th century, they will certainly continue to define the 21st, as knowledge development and technology commercialization become the new drivers of economic growth. The nations with the most competitive technology-based economies will be those whose policies promote innovation, support entrepreneurship, and make sustained investments in scientific research and talent.

Policy makers need to hear from leaders in industry and academia -- early and often -- if we are to get the answers to the difficult challenges that lie ahead. Medienforum offers such an opportunity, and I wish you success in the days ahead as you explore this exciting and challenging new world.

Thank you.

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