

[Introduction]

Buna Ziua!

It such a pleasure to finally be in Cluj.

I have been looking to visit Cluj since I've started working on Romania. This place has a very well-deserved, positive reputation as a high-tech, innovative ICT hub. Many U.S. ICT firms are present here – Microsoft, Oracle, HP, IBM, and others. I'm privileged to finally see it firsthand.

I would like to thank the organizers, the wonderful folks at the Cluj IT Cluster, particularly Andrei, for inviting me to speak today at this excellent event.

[U.S.-Romanian Commercial Relations]

The United States and Romania maintain a special relationship, what we've called a Strategic Partnership. We are NATO allies and have broad and deep defense ties. In many

ways, I think we would be hard pressed to find a better friend than Romania.

We are looking to similarly grow our commercial relations. The U.S. Department of Commerce and, of course, our Embassy in Bucharest, places a great deal of emphasis on our economic ties with Romania. In fact, our Secretary of Commerce, Penny Pritzker, is personally invested in the relationship.

She met with former Prime Minister Ponta multiple times and supported the Romanian Government's Action Plans – measures to improve the business environment here in Romania. We have continued this process with the current government – she is actually due to speak with Prime Minister Ciolos in a few hours.

The new government has recently put forward Action Plan 3, focusing on creating a new trade and investment promotion agency, reforming state-owned enterprises, and strengthening

the Regulatory Impact Assessment regime. We applaud these efforts and looking forward to continue this close cooperation in the future.

We have also focused efforts on the ICT industry, cybersecurity in particular.

Last May, Deputy Secretary of Commerce Bruce Andrews led a trade mission of over twenty U.S. firms in the cybersecurity to Romania and Poland. They held over 600 meetings with potential business partners and key governmental decision-makers. I'm sure they met with some of you here in the audience. The bilateral Strategic Partnership dialogue has also since added a Cybersecurity Working Group to further cooperation in this critical area.

[The Importance of Digital Innovation]

The rising importance of digitalization and innovation is undeniable. Global trade is becoming more and more about digital rather than physical goods.

As McKinsey notes in a recent study, the flow of digital information around the world more than doubled between 2013 and 2015 alone, to an estimated 290 terabytes per second – and this figure will grow by a third again this year. So by the end of 2016, companies and individuals around the world will send 20 times more data across borders than they did in 2008.

And, again according to McKinsey, the added value of data flows to the global economy alone accounted for \$2.8 trillion, slightly more than the \$2.7tn attributed to the global trade in goods.

[USG Initiatives Facilitating Data Flows & Innovation]

It is thus essential that we adequately prepare for this digitalized global economy and help to ensure the safe but free flow of data across borders.

As such, we at the U.S. Department of Commerce are focusing more attention and resources on digital issues. Earlier this month, Secretary Pritzker announced the launch of the Digital Attache program, a new initiative that establishes an expert network of “digital attaches” in some key markets, including ASEAN, Brazil, China, Japan, India, and the European Union.

This initiative will enhance efforts to advance commercial diplomacy, drive policy advocacy on technology issues, ensure linkages between trade policy and trade promotion efforts, and provide front-line assistance for U.S. small and medium

enterprises to take advantage of the robust e-commerce channels.

The Digital Attache program is part of the Department of Commerce's comprehensive effort to address 21st century trade barriers and help the digital economy thrive. In 2014, the United States exported roughly \$400 billion in digitally-deliverable services, accounting for more than half of U.S. services exports and about one-sixth of all U.S. goods and services exports.

The U.S. Government is also working closely with our European partners to facilitate data flows across the Atlantic, which are crucial to the world's largest trade relationship.

Since 2000, cross-border data transfers between the US and EU were governed by the Safe Harbor agreement.

Colleagues recently inked a new agreement with European counterparts on transatlantic data flows, replacing Safe Harbor with the new Privacy Shield.

The EU-U.S. Privacy Shield Framework is the result of over two years of intense work with our partners in Europe. We believe it represents a significant achievement for privacy, for individuals and for businesses that will eliminate the costly uncertainty that we know companies have faced.

But we have not yet crossed the finish line. The European Commission is now consulting with EU data protection authorities, the Parliament and Member States on the draft agreement. The Commission expects this consultation and approval process to conclude early this summer.

During that time, we are conducting outreach with European officials to build support and with companies to help them prepare to join the Framework.

I'd be happy to connect you with our team if you would like more information on Privacy Shield.

On a more micro level, we are also doing some great things in e-government and smart cities.

Colleagues in the National Institute of Standards and Technology, or NIST, have created a smart city program called the Global City Teams Challenge.

Teams are formed at the city level. NIST's role is to facilitate team formation - to match cities across the United States and the globe with the companies and other innovators who can help solve common problems - and to provide technical assistance. We want to encourage a more collaborative, interoperable style of smart city projects than the typical city-vendor procurement relationship.

Many GCTC projects are based on cities using technology to collect data, and then collaborating with others to interpret that data and take useful actions in response. There are teams cooperating from Illinois to Indonesia.

For example, in Seattle, Washington, which is experiencing an uptick in traffic and transportation issues, the city is working closely with Commute Seattle, Microsoft, and Socrata to improve the situation.

They have developed an app called “Hackessible” – the app helps users plan their commute, allowing them to see and report traffic and other obstacles. The ultimate goal is to allow users to search for an accessible route based on their preferences.

This is but just one example of the exciting things we’re doing on the municipal level in this area.

We are also looking to make breakthroughs in the area of e-government, promoting public consultation and transparency. On March 10, we released for public comment a draft Federal Source Code policy to support improved access to custom software code.

This policy will require new software developed specifically for or by the Federal Government to be made available for sharing and re-use across Federal agencies. It also includes a pilot program that will result in a portion of that new federally-funded custom code being released to the public.

Through this policy and pilot program, we can save taxpayer dollars by avoiding duplicative custom software purchases and promote innovation and collaboration across Federal agencies. We will also enable the brightest minds inside and outside of government to review and improve our code, and work together to ensure that the code is secure, reliable, and effective in furthering our national objectives. This policy is consistent with the Federal Government's long-standing policy of technology neutrality through which we seek to ensure that Federal investments in IT are merit-based, improve the

performance of our Government, and create value for the American people.

Recognizing the potential benefits of open source, a number of private sector companies have also shifted some of their software development projects to an open source model. Today, the Federal Government is already building some of our most important projects using open source, and more are launching all the time.

For example, if you're struggling to make your mortgage or rent payments, there's an open source tool to find free housing counselors near you, built by the Consumer Financial Protection Bureau, using open data from HUD. Survivors of sexual assault can find resources and data on the open source site, NotAlone.gov. If you're trying to figure out which university is right for you, the College Scorecard, the underlying data and API were all built with open source. If you're a journalist and

want to find the best open data on an issue facing Americans, you can go to data.gov, which was built using open source, and in the open, using the platforms WordPress and CKAN.

And if you want to see how these projects are doing, the General Services Administration's government analytics platform—which gives users a peek into how people are interacting with the government online—released its code to the public, which has already been used by local governments.

We believe these policies will fuel innovation, lower costs, and better serve the public.

[Digital Health – Telemedicine]

We are also working on an important, innovative project in Romania that pertains to this conference's theme of digital health.

The Rural Telemedicine project, using telecommunications technology to provide healthcare solutions remotely, started in 2012 at the initiative of US health and IT companies. They rightly recognized that Romanian patients living in rural areas, where medical assistance is often lacking, should not be denied access to quality healthcare.

The project started with a feasibility study funded by a \$460,000 grant by the U.S. Trade & Development Agency (USTDA). The initial study was conducted in 2013 and then utilized by the Romanian government to apply for European funds (POSCCE) to develop a rural telemedicine system.

We are very pleased that the project was finalized and implemented last year. There are currently 3 major networks in Constanta, Galati, Braila, connecting hospitals for emergency telemedicine, an integrated network for pre-hospital emergency between ambulances and emergency care units.

In terms of numbers, the present network is connecting 198 family physicians with 510 specialists in the aforementioned three counties as in the main university centers - Bucharest, Craiova, Timisoara, Cluj, Targu-Mures and Iasi).

We strongly believe that this project will greatly benefit Romanian patients, who were previously disadvantaged by living in more remote and rural areas, and improve the healthcare system. It will increase the assistance provided at home, moderate the requests for hospitalization and consequently reduce hospital admissions costs per patient. It will also increase the promptness in resolving medical cases.

This is an excellent example of how we can utilize technology and commerce to do the right thing, creating mutually beneficial results for all involved.

[Romanian Government Initiatives]

I understand the Romanian Government has also taken some steps in the right direction on this critical area, notably on the Open Government Partnership and a new initiative by the Finance Ministry to make the budgetary process more transparent. We applaud these efforts and look forward to working together on similar projects in the future.

[Conclusion]

Finally, in closing, I would reiterate the importance of the digital economy, whose importance will only continue to grow. These will be the main issues underlining the world economy for years to come. You all play a critical role in moving forward. I want to again thank Cluj IT for its hospitality and all of you for coming today. Looking forward to the rest of today's events and hearing from you how we can work together to create better conditions to collaborate and succeed.