

2011 CES Gary Shapiro Opening Keynote

Happy New Year and Welcome to the 2011 International CES.

Each January, the world's most important technology leaders journey to this unique city to see, hear, touch and experience the future. The start of the calendar year is also our industry's showcase. Our rejuvenation. Our statement to the world that the future is bright and full of innovation.

Each year I anticipate CES like a kid awaiting Santa. The CES is the world's most important tech gathering and it is important that we do it right. The CES is owned and produced by the Consumer Electronics Association but we know that all of you have a sense of ownership and we take seriously the trust the industry puts in us. Our goal is to create a tremendous experience for all who invest their time and money to be here. We also strive to make this show an affordable launch pad for any entrepreneur with an idea. Every big company started as a small venture. And we run CES so that it is cost effective and easy for anyone to expose their ideas to the tens of thousands of investors, retailers, media and potential partners that come to CES.

I am passionate about CES and the role it plays in fostering innovation and expanding business. Innovation has become the engine for our global economy and

it is so important that our show, our industry, our customers and our colleagues around the world embrace innovation as the central element of our shared future.

The global economy is emerging, slowly, from the crises of the past few years. It is no secret that the economy here in America is challenged by slow growth, large federal budget deficits and high unemployment.

I believe innovation is our best strategy for resolving these challenges. Think of the VCR, DVD, HDTV, GPS, smartphone, tablet, or go back to wireless spectrum or the creation of the Internet. These innovations transformed us. They gave us control of and improved our lives. They changed the way we access education, information and entertainment. These innovations also fueled our economy as they attracted investment, launched new businesses, and created millions of jobs. The CES has played a major role in each of these innovations. And the next generation of innovation is on display here this week, grander and more exciting than ever.

Innovation is what we are about – as a trade show, as an industry and I would maintain as a global community. That is why we must do everything we can to foster innovation – as so many today and in the future will be affected by our success.

Indeed, CEA's cause is the cause of innovation.

The decision to make innovation our cause did not come lightly. While many if not most trade associations see their primary cause as securing government favors, our volunteer Board leaders took a different approach. A few years ago they agreed that our primary objective as an association must be the long term health of the U.S. economy. More, they agreed that innovation is what will determine our economic health. Since then our focus and mission has been to fight for the essential elements of an innovation-focused agenda which in turn will fuel the economy.

I respect and acknowledge that CES is an international event, and that we have some 25,000 guests here from abroad. Not all innovation can or will occur in the United States. But the fact is that the world notices that innovation occurs in our borders in so many areas from Internet companies, to movies and music, to chips and product design.

Innovation has been the unique American sauce that has fueled our growth. It is in our genes and comes from our forefathers' emigration here for a better life. It grew from our diversity into the mosaic of America. It has been fostered by the protection of expression in our First Amendment and our desire and belief that we can improve, create or simply find a better way.

We have been blessed over the years by our ability to attract the best and brightest in the world, our ease of trade with other nations, and an entrepreneurial system that allows flexible workplaces and rewards for those who succeed. In America, a mistake in business or a failed start-up is considered a vital learning experience, not a stigma or an embarrassment. We disdain the status quo and the diversity of our citizenry is an asset for new ideas and approaches.

Our national success in innovation, historically, stemmed from entrepreneurial and skilled immigration, free trade, flexible workplaces and a government favoring business success and intruding with a light hand. But we have shifted away from these policies that have made us so successful. In the last four years, we have not finalized a single free trade agreement, yet the rest of the world – Asia, Europe, Canada and Latin America – are all furiously signing trade agreements with one another. We are discouraging the best and brightest, we are expanding union inflexibility, we are adding regulatory control and our government is overspending.

CEA has spoken clearly and loudly that these trends are harmful to innovation and the future of our nation. Some policies we advocate bring us into conflict with entrenched industries, but we must do what is best for our nation. For example, innovation relies on ensuring we have the spectrum necessary to unleash the possibilities of wireless broadband.

And so we applaud the Federal Communications Commission, which with unique bipartisanship has driven a visionary broadband plan and is moving aggressively to reclaim underutilized spectrum. Television broadcasters are unhappy. But they have borrowed spectrum from the government and have seen their public audience shrink from 100 percent of Americans to under ten percent. They are squatting on our broadband future. This spectrum needs to be repurposed and reused. Spectrum for licensed and unlicensed uses will unleash more innovation and unclog constricted networks which are already frustrating millions of Americans trying to use the Internet wirelessly.

Because broadband access is crucial for all Americans, yesterday CEA along with others formally asked Congress to swiftly pass legislation allowing the FCC to conduct voluntary incentive auctions of broadcast spectrum. The goal is to free up 500 MHz of spectrum within ten years. Current spectrum licensees would receive a portion of the proceeds from the auction as would the federal Treasury and this spectrum could then be used to meet the increased demand for broadband.

Better use of spectrum. Deploying broadband. Attracting the best and the brightest. Free trade. Flexibility for business. Encouraging investment. Educating our children. Cutting the deficit. These are all platforms of the CEA Innovation Movement. CEA created the Innovation Movement just over a year ago and we already have signed up more than 100,000 Americans who share this vision for the

future of America and are willing to contact their legislators to support the innovation agenda. I want to share a short video reflecting how this movement is consistent with our innovation past and necessary for our innovation future.

[PLAY VIDEO]

If you haven't yet joined the Innovation Movement or linked to our website, please consider taking action for our children's future.

I am so committed to the Innovation Movement ideals that I am trying to get this message out through my new book being released today. It is called "The Comeback – How Innovation Will Restore the American Dream." I believe innovation is our destiny. But the choices we make determine our destiny – and I do not believe they are pre-ordained. We have much work ahead of us.

My book "The Comeback" shows us how to return innovation to its rightful place at the center of America's economic policy. The Comeback is a new blueprint for America's success. I'll be signing books outside this room immediately after our opening keynote. [Pause] I strongly urge you to buy my book now rather than wait because you know like all our products, there will be a better, cheaper version next year.

Innovation can and will restore the global economy. Future generations will benefit. The CES is a celebration of optimism. As you listen to the phenomenal

leaders speaking, as you inhale the sights and senses of the show floor and as you take in the gestalt of the CES, you may conclude as I already have, that at this CES we have more innovation and cause for celebration than at any event in our history.

We see innovation across the show floor. In Central Hall, the buzz is about connected TVs. CEA projects that in 2014, consumers in the U.S. will purchase nearly 30 million Internet-connected televisions. Worldwide shipment projections reach up to 185 million sets. This is massive growth for a category that didn't exist a few years ago.

Or take 3D. It creates a magical experience for sports, movies and games. It just keeps getting better. With 3D, broadband connectivity, a plethora of apps, 1080 progressive HD, the TV screen is transforming to a movie theater experience with smart phone connectivity all in the comfort of your home.

Our show is not just about technology. It's about related industries, services, apps and pipelines as well as content. Our new Entertainment Matters program at CES is bringing together hundreds of executives from Hollywood and technology companies to learn about new opportunities to bring digital content to consumers.

As computing moves to the cloud, new operating systems are turning e-readers into tablet computers – and vice versa. According to this month's *Vision*, CEA's

flagship publication, by 2014 more than 70 percent of all consumer electronics products will be connected to the Internet.

Global rates of using personal technologies such as cell phones, PCs, the Internet and email are rising. We are taking our technology with us – in our pockets, in our cars and wherever else we go. In fact, we have doubled the size of our I-Lounge Tech Zone.

CES is the primary place in the world where innovators want to be. Even beyond technology, think about the launch of a new candy by Reese's here at CES. And after you've sampled it, remember that fully half of consumers, according to a recent CEA study, are using technology to keep fit. Our new Sports and Fitness Tech Zone focuses on the multi-billion dollar market for health-conscious technology enthusiasts.

CES is about innovation and we have a big tent. This is not a party but a movement. And at CEA we want to shake it up and make sure we are moving forward rather than looking backwards!

Here are a few things we are doing: Our trade association is strong and has attracted virtually every leading consumer technology company. But our volunteer leaders asked – why limit CEA to corporations? What about those consumers who love our products and industry? Why can't we provide a home for them?

Thus we recently launched a new category of membership in CEA – the Technology Enthusiast. These individuals are early adopters of our industry's products and we are providing them a home. Tech Enthusiast members get to be beta testers of new products; they get deals; and they will be our insiders – helping spread the word about our industry and its products and services. If you want to join or become a corporate partner or have a deal for your employees to join – check out our website or let us know.

In 2010, CEA published 22 new or revised technical standards, and also launched three new work areas including Wireless Power, Metadata and Accessibility.

We've started a new Retailer Council to serve the needs of the hundreds of large and small retailers that are CEA members. We have more than 2,000 corporate members representing all parts of the technology world.

We also are working with partners to launch CE Week in New York City this summer. Much like Fashion Week brings together an entire industry, CE Week will create a consumer electronics event in New York City focused on promoting technology to the industry, media and consumers. Look for more details on this unique opportunity in the coming weeks.

But this week is about the International CES. And wow, are we international. This CES is hosting the World Electronics Forum where my counterparts from 20

countries will discuss major issues concerning our industry. We will have more than 25,000 international guests at CES and I expect we will set an international record. It makes sense as we are the international technology event in a very international city.

Indeed, I am pleased to announce that CEA has teamed up with the Las Vegas Convention and Visitors Authority to add a new name to the Las Vegas Convention Center. Thanks to CEA, which owns the name World Trade Center Las Vegas, the LVCC will from this day forward also be known as the Las Vegas World Trade Center.

This special designation is often given to the most prestigious building in every significant city in the world and tells the world that the building facilitates world trade. And what does facilitate more trade than the Convention Center, among the largest convention facilities in the world?

Technology and innovation and trade are business soul mates. More, nations that trade do not go to war. And so we are thrilled to play this part in facilitating trade and recognizing Las Vegas as the world's most significant convention center and city promoting trade.

I am often asked to name the coolest thing that will be introduced at CES this year. That's like trying to pick a favorite child. From more than 20,000 products

introduced here at CES, we know that the products that will change our lives in 2011 and beyond are right here this week. Across the CES show floor we see new technologies that empower citizens of the world. 2011 will be a good year. We predict the U.S. consumer electronics industry to grow 3.5 percent next year to \$186 billion.

I can't wait to see what the future holds. I know that it will involve major advances in technology. I am excited to be here today at the 2011 International CES to see our industry making history. And I believe history will be made here today by our keynote speaker. [Pause]

The name Verizon is relatively new compared to the more than 125 years of corporate history that the name represents. Built from the powerful combination of the nation's leading telecommunications brands, including Bell Atlantic and NYNEX, GTE and MCI, Verizon was created in 2000 under the leadership of a man who, quite literally, knows the telecom network inside and out. Ivan Seidenberg began as a cable splicer's assistant at New York Telephone more than 40 years ago.

Verizon has stayed at the cusp of technology innovation with its industry leading FiOS fiber-optic network, its deployment of LTE 4G wireless technology, and its development of innovative products and applications for its broadband and

wireless platforms. In 2009, CEA gave Ivan its highest honor, the Digital Patriot Award, in recognition of his leadership in bringing broadband to our nation.

For the last two years Ivan has chaired the Business Roundtable, an influential association of CEOs of leading U.S. companies. In that role, Ivan has had the courage to say what many in corporate America were thinking – that our government needs a course correction to bring our economy back. Earlier this year, President Barack Obama appointed Ivan to the President’s Export Council, where he helps advise the President on how to promote U.S. exports, jobs and growth.

In 2010, *Fortune Magazine* named Verizon the number one most admired telecommunications company in the world. We are proud to have Verizon as a member of CEA and an exhibitor at CES. It is my great pleasure to introduce Verizon as our opening keynote.

[\[Run Verizon video\]](#)

[Gary comes back on stage, shakes hands with Ivan Seidenberg.](#)