



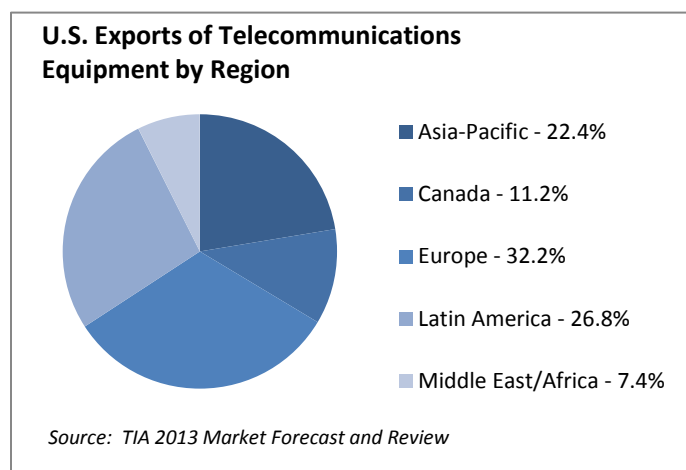
TRADE PROMOTION AUTHORITY RENEWAL

HELPING TO ENSURE GLOBAL COMPETITIVENESS FOR U.S. INDUSTRY

Trade Promotion Authority (TPA) helps to define the critical constitutional relationship between Congress and the President with respect to foreign commerce. TPA provides U.S. negotiators with guidelines to pursue and complete new, market opening trade agreements, while enhancing the role of Congress through the development of negotiating priorities and oversight of the process. Since 1974, Congress has enacted TPA legislation to meet these important goals with the ultimate objective of enhancing market access for U.S. exports and creating jobs here in America. The 2014 trade agenda for the United States is ambitious, and as we look forward to the successful conclusion of new market-opening trade agreements, TPA will be a critical factor in ensuring that American businesses are able to take full advantage of these agreements. As an association that represents a globally integrated industry, the Telecommunications Industry Association (TIA) supports the swift passage of the *Bipartisan Congressional Trade Priorities Act of 2014*.

The Telecommunications Sector is Global

In 2012, the global telecommunications market was valued at \$4.90 trillion, with approximately 76 percent of the total marketplace located outside the United States. Global investment is increasing in both wireless and fixed broadband networks. This global trend includes the launch of long term evolution (LTE) 4G wireless networks, continued growth in smartphone penetration, and fiber deployments to enhance fixed broadband infrastructure. Each of these developments stems from a single underlying driver — the need for greater capacity to accommodate growing global data transmission demands.



Members of TIA are helping to meet this demand for a strong and dynamic global digital economy – one that requires quality infrastructure, a network of telecommunications services, and a solid legal and commercial framework that contributes to a level playing field for all manufacturers and service providers. Critical to establishing a level playing field and enhancing market access are the trade agreements negotiated by the Executive Branch in close consultation with Congress. Despite accounting for approximately 10 percent of non-U.S.

gross domestic product (GDP) in 2011, countries that the United States has trade agreements with comprised 35.7 percent of total U.S. telecommunications equipment exports, demonstrating the positive impact of trade agreements on U.S. exports.ⁱ

Unlocking New Opportunities: The Bipartisan Congressional Trade Priorities Act of 2014

The *Bipartisan Congressional Trade Priorities Act of 2014* creates an opportunity to improve upon existing trade negotiating objectives to ensure that future trade agreements maximize access to international markets. Since 2002, the trade policy landscape has evolved thanks in large part to innovations in the information and communication technologies (ICT) sector, as well as the tremendous global growth in the use of the Internet. These factors have resulted in increased opportunities for American businesses to create new and innovative business models for goods and services. In addition, the Internet has become an important gateway to international markets for small and medium-sized enterprises located in the United States.

With these new opportunities, the telecommunications industry has also experienced the proliferation of new types of trade barriers that should be addressed in future trade agreements. TPA renewal provides the opportunity to update negotiating objectives and account for the changes in the trade policy environment since 2002. Many of these “21st Century” trade issues are being addressed in current negotiations like the Trans-Pacific Partnership, the Transatlantic Trade and Investment Partnership, and the Trade in Services Agreement. In particular, we appreciate the inclusion of the following trade negotiating objectives that are critical to the telecommunications industry and the broader ICT sector.

- Promoting strong disciplines on digital trade, including the prevention of unnecessary impediments to cross-border data flows and avoiding local data storage requirements.
- Improving upon disciplines on trade in services, including through a high-standard plurilateral services agreement like the Trade in Services Agreement.
- Including provisions that eliminate and prevent localization barriers to trade that would force American companies to localize operations as a condition of market access and other types of non-tariff barriers.
- Ensuring equal competition between state-owned enterprises (SOEs) and private sector enterprises when SOEs are engaged in commercial activities.
- Enhancing regulatory cooperation to avoid divergent regulatory regimes that create unnecessary barriers to trade.
- Improving disciplines for the protection of intellectual property rights, including the protection of trade secrets, to avoid the unnecessary disclosure of information critical to the competitiveness of an enterprise.

TIA and its members would underscore the important role TPA plays in defining the relationship between the Congress and the Executive Branch that is critical to the trade negotiating process. Renewal of TPA through the *Bipartisan Congressional Trade Priorities Act of 2014* is an opportunity to further improve upon this partnership for the greater benefit to the U.S. economy and job creation. TIA looks forward to working with members of Congress and the Administration for the swift renewal of TPA.

ⁱ Telecommunications Industry Association, 2013 Market Forecast and Review