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Dear Sir/Madam:

On behalf of the Telecommunications Industry Association (TIA), I would like to thank you for your ongoing work on bilateral commercial matters with China, specifically the Joint Commission on Commerce and Trade (JCCT). China continues to be an important yet complex market for the information and communications technology (ICT) industry and TIA appreciates the opportunity to provide input to the JCCT's Information Industry Working Group (IIWG). The leadership of the Office of the United States Trade Representative (USTR) and the Department of Commerce is invaluable as we continue to seek to address challenges in our trade and investment relationship with China.

TIA represents the global information and communications technology industry through standards development, advocacy, tradeshow, business opportunities, market intelligence and world-wide environmental regulatory analysis. For over 85 years, the

association has facilitated the convergence of new communications networks while working for a competitive and innovative market environment.

The U.S.-China Joint Commission on Commerce and Trade has been a valuable forum to constructively engage China. The work of the JCCT has achieved progress on China's information security requirements, a lowering of the capitalization requirements for telecommunications companies in China, and secured a commitment to improve China's type approval process, among other policy issues. TIA supports the 2011 IIWG work plan, but has a keen interest in the concept for a green information and communications technologies event to be held in Beijing, which TIA has engaged with your staff to help organize. In addition to the Green ICT event, the IIWG work plan includes discussion on:

- 1) China's Restriction of Hazardous Substances (RoHS)
- 2) Cloud Computing
- 3) Telecommunications Services
- 4) China's Provisional Measures for the Supervision and Management of the Internet Information Service Market

The green ICT event will be a great opportunity for Government policy makers and companies from both the U.S. and China to come together to share experiences and discuss the respective policy challenges faced by both countries. The event will also offer an important business development opportunity by bringing Chinese and U.S. industry together to learn about their respective solutions that can improve energy use and efficiency while meeting our green policy objectives. TIA looks forward to working with the U.S. government in making it a successful event.

In addition to the IIWG's substantial work plan, TIA and its members support the continuing efforts of USTR and the Commerce Department to engage China over its far reaching National Indigenous Innovation policy. We are thankful that the U.S. government recognizes that China's indigenous innovation policies are not only related to government procurement, but are much more broad and interwoven throughout the country's laws and regulations.

One approach China uses to promote indigenous innovation is through the use and development of standards. TIA encourages China to harmonize its domestic standards with global standards where feasible, and to adopt fair, transparent, voluntary and inclusive procedures for the development of new technical standards so that users and implementers have freedom of choice in selecting among competing standards. While China agreed to not interfere in licensing negotiations between standards implementers and the owners of "essential" patents in the standard, or to adopt policies that would have a similar effect, the U.S. government when it follow-ups with Chinese authorities should stress (i) the limited circumstances in which compulsory licensing is allowed under WTO, and (ii) the negative impact of compulsory licensing on innovation and its limited effectiveness. Last, China's narrow interpretation and acceptance of "international standards" is inconsistent with the spirit of the TBT Agreement, Annex III Code of Good Practice for the Preparation, Adoption and Applications of Standards and negatively

affects many U.S. and other global manufacturers that rely on international standards developed outside of Geneva-based organizations. China should broaden its recognition of international standards developers beyond the International Organization for Standardization (ISO), International Electrotechnical Commission (IEC), and the International Telecommunication Standardization Sector (ITU) to any organization that follows the WTO principles.

Indirectly linked to the Indigenous Innovation Policy is China's Multi-Level Protection Scheme (MLPS), a Ministry of Public Security initiative that sets benchmarks for securing different types of communications networks. If fully implemented, MLPS will exclude many foreign products from China's market due to the onerous testing requirements involved in obtaining clearance for classification of networks Level 3 and higher. As the MLPS policy is implemented on a broader scale in China, TIA encourages the U.S. government to remind China of its trade commitments and engage as appropriate to ensure that important sectors of the Chinese economy do not become off limits because of what are ultimately security policies being applied to commercial uses. While all countries, including the United States, are working to determine the best policies to protect critical infrastructure, the policies and regulations in this area should not create undue barriers to trade.

Furthermore, TIA appreciates the government's work on pursuing commitments from the Chinese to streamline its type approval process for mobile telecommunications equipment. TIA looks forward to working with you to ensure that China carries out its 2010 JCCT commitments with respect to Type Approval in a manner that creates a streamlined, viable and flexible system going forward. Lastly, we are grateful for your continued efforts in urging China to adhere to its commitment under the WTO's Basic Agreement on Telecommunication Services to establish an independent regulator. Industry prefers a single regulatory point of contact overseeing the converging telecom, Internet media, and broadcast industries.

Thank you again for your continued assistance to TIA and our industry. Should you have questions or desire further information about these issues, please do not hesitate to contact Nicolas Fetchko, Director for International and Government Affairs, at nfetchko@tiaonline.org or 202-346-3246.

Sincerely,



Grant Seiffert
President