



June 26, 2013

The Honorable Lee Terry
U.S. House of Representatives
2266 Rayburn House Office Building
Washington, DC 20515

The Honorable Jan Schakowsky
U.S. House of Representatives
241 Cannon House Office Building
Washington, DC 20515

Dear Chairman Terry and Ranking Member Schakowsky:

The Telecommunications Industry Association (TIA), the leading trade association for global manufacturers, vendors, and suppliers of information and communications technology (ICT), wishes to thank you for holding a hearing of the Commerce, Manufacturing, and Trade Subcommittee this week to examine India's industrial policy and its negative effects on the ability of U.S. companies to do business in India. Along with many other sectors, the ICT industry has been significantly impacted by recent actions taken by the Indian government.

Specifically, we are deeply concerned over India's Preferential Market Access (PMA) policy mandating preferences for domestically manufactured ICT goods – which may include software as well as hardware. This policy is harmful to global trade, and may be inconsistent with India's WTO obligations. The policy has already been implemented with regard to government procurement, but we understand that the PMA policy may soon be applied to private sector transactions. If so, this would represent a significant level of government interference in commercial activities.

The negative impacts on U.S. exports and economic competitiveness would be very significant. Our ability to sell American products and services in India is important for U.S. economic growth and achieving the President's objective of doubling exports over five years. Moreover, these policies, if left unchecked, carry with them the potential for a contagion effect, encouraging India to issue similar policies affecting other sectors – and providing a rationale for other countries to mirror this unfortunate behavior.

Ultimately, India is discriminating against the most innovative and competitive American ICT products. Indeed, the use of restrictive government procurement policies to boost domestic manufacturing is not an effective public policy tool for India. The ICT sector is a vibrant and dynamic one, and such restrictions as India seeks to impose would only deny it access to global technological and product innovations.

Thank you again for your work on this issue. For more information, please contact Danielle Coffey at (703)-907-7734 or by email at dcoffey@tiaonline.org.

Sincerely,

A handwritten signature in black ink that reads 'Grant E. Seiffert'.

Grant E. Seiffert
President