



## TRADE PRIORITIES TO ADVANCE THE GLOBAL DIGITAL ECONOMY

In 2012, the global telecommunications market was valued at \$4.90 trillion, with about 76 percent of the total marketplace located outside the United States. Global investment is increasing in both wireless and fixed broadband networks. This 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 the Telecommunications Industry Association (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 contribute to a level playing field for all manufacturers and service providers. This paper summarizes three key principles that promote full, fair, and open competition in international markets as well as specific examples of market access issues, policy challenges, and opportunities around the world.

### Key Principles

- I. **Enhancing Trade Liberalization and Expanding Markets:** Secure access to international markets by promoting trade liberalizing, market-based, and technology neutral approaches to regulation in key international markets. Promote transparency, independent regulatory authority, nondiscrimination against foreign suppliers, and technology neutrality for the telecommunications sector.
  - *WTO Information Technology Agreement (ITA):* TIA urges the completion, by the summer of 2013, of a commercially significant expansion of the ITA to maximize the coverage of information and communication technology (ICT) products.
  - *Trade Agreements:* TIA supports the Administration’s goal of completing negotiations for comprehensive, high-standard agreements that will eliminate or reduce tariffs and non-tariff barriers under the Trans-Pacific Partnership (TPP), Trade in Services Agreement (TISA), and the U.S.-EU Transatlantic Trade and Investment Partnership (TTIP).
  - *Technology Neutrality:* TIA advocates for policies that promote technology neutrality in which standards and products are developed by market-driven dynamics and open, transparent processes.
  
- II. **Combating Protectionism and Localization Barriers to Trade:** Enforce existing WTO commitments and bilateral commitments to limit the growth of protectionism and in particular, the requirement to manufacture locally for equal access to foreign markets. Localization barriers to trade distort markets and limit access to the best technologies and products available in the global supply chain.

- *Brazil*: TIA urges the elimination of local presence requirements for foreign companies to be eligible to participate in auctions for spectrum in Brazil.
- *China*: TIA remains concerned with the promotion of indigenous domestic standards by the Government of China that deviate from existing globally developed standards and in some cases, the *de facto* mandatory nature of these standards through conformity assessment regimes.
- *Cybersecurity*: While all countries have legitimate security concerns, TIA opposes the use of security as a pretext for protectionism. We urge governments to focus on leveraging public-private partnerships, enhancing dialogue between governments and industry, and adopting internationally accepted best practices relevant to the ICT products at issue when developing cybersecurity and critical infrastructure protection policies.
- *India*: TIA is deeply concerned with the Government of India's efforts to force telecommunications equipment manufacturers to manufacture their products in India. The Preferential Market Access (PMA) policy, telecommunications security policy, and a host of other measures intended to keep capital in the country are severely damaging the ability of multinational companies to operate. These policies are directed at the private sector and commercial transactions in India, against the spirit of free trade.

III. **Ensuring the Free Flow of Cross-Border Data:** Encourage common approaches to data privacy to allow for interoperable systems that will not unnecessarily impede the cross-border flow of information. Advocate for the preservation of the current multi-stakeholder approach to Internet governance.

- *Data Privacy*: TIA encourages the U.S. government to advocate for interoperable data privacy regimes to minimize impediments to cross-border data flows as it negotiates the TTP, TISA, TTIP, and other relevant undertakings.
- *Internet Governance*: TIA supports the efforts by governments to maintain the multi-stakeholder approach to Internet governance, which has been a key catalyst in the unprecedented growth of the Internet. We oppose efforts to place Internet governance under the control of a multi-national body.

### **About TIA**

The Telecommunications Industry Association (TIA) represents manufacturers and suppliers of global communications networks through standards development, policy and advocacy, business opportunities, market intelligence, and events and networking. TIA enhances the business environment for broadband, mobile wireless, information technology, networks, cable, satellite and unified communications. Members' products and services empower communications in every industry and market, including healthcare, education, security, public safety, transportation, government, the military, the environment, and entertainment. If you have any questions, please contact Eric Holloway, Director for International and Government Affairs, at [eholloway@tiaonline.org](mailto:eholloway@tiaonline.org).