

Before the
**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
AND THE UNITED STATES DEPARTMENT OF COMMERCE**
Washington, DC 20006

In the Matter of)	
)	
Request for Comments on the Proposed Fair and)	Docket No. USTR-2022-0002
Resilient Trade Pillar of an Indo-Pacific Economic)	Docket No. ITA-2022-0001
Framework)	

**COMMENTS OF THE
TELECOMMUNICATIONS INDUSTRY ASSOCIATION**

The Telecommunications Industry Association (TIA) appreciates the opportunity to provide input in response to the Office of the United States Trade Representative (USTR) and the Department of Commerce's Request for Comments on the Proposed Fair and Resilient Trade Pillar of an Indo-Pacific Economic Framework (IPEF).

TIA represents more than 400 manufacturers and suppliers of telecommunications equipment and services. From the fiber in the ground to satellites in the sky, TIA member companies manufacture the equipment that makes telecommunications and broadband equipment possible. In addition to engaging with policymakers around the world, TIA is also an ANSI-accredited Standards Development Organization and runs industry programs related to numbering, cabling technologies, smart buildings, quality, and supply chain security.

The Information and Communications Technology (ICT) industry has a unique and vital role to play in supporting a fair, resilient, secure, and worker-centric economy. For one, the industry is foundational to the broader digital economy powering U.S. exports across the manufacturing and services sectors. Without a reliable and fast internet connection, search

platforms do not connect people to information, precision agriculture equipment becomes a tractor, and smart factories come to a standstill. Additionally, internet access can help bridge economic divides for workers, eliminating costly middlemen who may exert pricing power through control of local markets, supporting remote access to education and healthcare for rural communities, and allowing disadvantaged and underserved communities to make their voices heard on the national and international stage. Finally, the ICT sector is at the forefront of the economic competition with countries like China, which has provided extensive subsidies, facilitated economic espionage, and exerted diplomatic pressure in support of certain state-affiliated telecommunications manufacturers.

The Indo-Pacific is a vital market for U.S. firms in the ICT sector, and U.S. engagement in the region is sorely needed. In addition to being a global source of economic growth generally, it is an area of substantial potential for the ICT industry specifically. Data from the International Telecommunications Union (ITU) shows rapid growth in internet connectivity in the region, growing from 47.9 percent of households with access to the internet at home to 53.4 percent in 2019. While this growth is undoubtedly positive, this leaves 46.6 percent of the Indo-Pacific region without internet access at home. There is enormous potential for U.S. companies – working with our global allies and partners – to help bridge this divide.¹

To that end, we offer the following feedback regarding the areas identified by the Commerce Department and USTR in the Request for Comment:

¹ International Telecommunications Union, *Digital trends in Asia and the Pacific 2021* (2021) (available at https://www.itu.int/hub/publication/d-ind-dig_trends_asp-01-2021/).

1. GENERAL NEGOTIATING OBJECTIVES FOR THE PROPOSED AGREEMENT.

At a high level, one of the most important objectives for this agreement is to negotiate something that is enforceable and has high standards. After spending the better part of a decade negotiating with Indo-Pacific countries in the context of the Trans-Pacific Partnership (TPP) and its successor the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the worst outcome would be to walk away with an agreement that does not reflect the best deal possible for American workers and American businesses. For the telecommunications sector specifically, we offer the following suggestions for USTR and Commerce as potential goals:

- **Support trusted telecommunications vendors.** The ICT supply chain is increasingly a vector of attack for both cybercriminals and nation-states, whether through the emergence of dominant, state-affiliated telecommunications vendors from authoritarian countries or through the exploitation of existing vulnerabilities, such as the open-source software behind the Log4j vulnerability. In order to ameliorate the risks of supply chain attacks, the United States should promote the use of trusted telecommunications vendors in Indo-Pacific networks. To determine trusted vendors, the United States can leverage both multilateral statements of principle such as Prague Proposals, as well as industry-driven standards such as TIA SCS 9001 that certify vendor trustworthiness along both technical and non-technical factors.²
- **Trade enforcement.** While new commitments can provide a useful framework for structuring economic exchanges, it is also vital that countries are also pressed to comply with the binding trade commitments that are already on the books. One important set of commitments is the zero-duty rates agreed to by countries by virtue of their participation in the Information Technology Agreement (ITA). Indo-Pacific participants in the ITA include India, Indonesia, Taiwan, Singapore, Thailand, Vietnam, and several others.³
- **Reduce tariffs and non-tariff barriers to trade.** Tariffs and non-tariff barriers come at a direct cost to U.S. companies and U.S. workers. Eliminating these barriers should be a priority in the context of the IPEF. Common technical barriers to trade in the Indo-Pacific include requirements to do redundant equipment testing in-country and use country-specific standards. As a general matter, TIA supports TBT provisions in line with

² Telecommunications Industry Association, *About SCS 9001*, (last visited April 11, 2022) (available at <https://tiaonline.org/what-we-do/scs-9001-supply-chain-security-standard/>).

³ World Trade Organization, *ITA: List of Participants* (last edited May 19, 2017) (available at https://www.wto.org/english/res_e/booksp_e/ita20years_2017_chap5lp_e.pdf).

Chapter 11 of the U.S.-Mexico Canada Agreement (USMCA) and believes that this could serve as the basis for discussions on TBT issues in the context of the IPEF.

- **Promote spectrum best practices.** The U.S. should encourage policies that promote predictable, efficient, and technology-neutral use of spectrum where technically and economically feasible. Governments should prioritize spectrum rights from harmful interference where sharing is not feasible and ensure global harmonization of allocation and use.
- **Engage on standards.** Globally harmonized standards can support trade and lower costs for consumers and manufacturers alike. The U.S. should support globally harmonized standards wherever possible and push back against country-specific standards where possible. Third countries are also actively promoting indigenously generated standards in the region, and promoting alignment with globally harmonized standards will support opportunities for U.S. firms and more broadly foster open, market-driven competition.
- **Promote open, technology-neutral markets for goods and services.** Even in the absence of Congressional authority for formal trade negotiations, we hope that USTR and Commerce will find creative ways to promote market access for U.S. and global firms under the IPEF. The end goal should be for telecommunications operators and end-users to be able to use the technologies and services that best suit their needs. To this end, TIA believes that U.S. advocacy on telecommunications issues should remain technology-neutral and should not favor any particular connectivity method or network architecture over another.
- **Focus engagement with reliable trading partners.** As mentioned previously, our main priority for the IPEF is to create high-standard, enforceable agreements that provide real opportunities for U.S. firms in the region. In service of an ambitious agreement, it may be most productive to deal with countries like India and China in the context of bilateral dialogues. For India in particular, the re-started bilateral Trade Policy Forum (TPF) may be a preferable forum given the range of trade issues where the U.S. and India are not aligned in the context of multilateral trade negotiations.

2. LABOR-RELATED MATTERS.

Access to the internet has the potential to transform labor markets, enhance the ability of workers to access global markets for their services, eliminate costly middlemen, and increase their wages. Access to communications technologies also strengthens worker power by

facilitating organizing through information technology platforms and supporting access to real-time information about wages and labor movements.⁴

Policies that facilitate broadband buildout through reduced costs create jobs in the U.S. that cannot be outsourced due to the proximate, physical nature of building a broadband network. Jobs digging fiber, installing next-generation radio equipment, and setting up customer premises-equipment must be based in the U.S. and pay average wages of \$77,500 per year – significantly above the national average.⁵

3. ENVIRONMENT AND CLIMATE-RELATED MATTERS.

The ICT sector creates the foundation for energy-saving applications like smart lighting; reduces hydrocarbon fuel use by powering remote applications such as work or telehealth; and powers carbon-saving, leapfrog technologies like autonomous driving via V2X connectivity. In addition to the emission reductions already created by the use of ICT, researchers estimate that the deployment of digital technology could help further reduce global emissions by 15% by 2030.⁶ A trade framework that provides market access opportunities and decreases barriers to trade for the ICT sector is one that has the potential to decrease carbon emissions and supercharge green U.S. exports.

⁴ Townsend, Phela, *Disconnected: How the Digital Divide Harms Workers and What We Can Do about It*, The Century Foundation, (October 22, 2020) (available at <https://tcf.org/content/report/disconnected-digital-divide-harms-workers-can/?agreed=1>).

⁵ US Telecom, *Broadband Coalition Workforce Letter*, (January 27, 2021) (available at https://www.ustelecom.org/wp-content/uploads/2021/01/workforce-letter-jan-2021_biden.pdf).

⁶ Börje Ekholm and Johan Rockström, *Digital technology can cut global emissions by 15%. Here's how*, World Economic Forum (January 15, 2019) (available at <https://www.weforum.org/agenda/2019/01/why-digitalization-is-the-key-to-exponential-climate-action/>).

4. DIGITAL ECONOMY-RELATED MATTERS.

ICT is the backbone of the digital economy, and TIA supports policies that support a robust digital economy. These include:

- **Comprehensive trade agreements modeled after the U.S.-Mexico Canada Agreement (USMCA)** with robust digital trade provisions that promote unrestricted data flows.
- **Technology-neutral policies** that do not support one method of connectivity, digital platform, or network architecture over another.
- **Globally harmonized standards for connected technologies.** Push back against country-specific standards wherever possible. The U.S. should press governments to accept test results and certification from accredited labs instead of mandating redundant, in-country testing as some IPEF countries have done.⁷

6. Transparency and good regulatory practice issues.

Transparency and good governance issues are important for the telecommunications industry because, in many Indo-Pacific countries, the customers are telecommunications service providers with links to the government. As such, transparent practices give trusted ICT companies a fairer chance to compete. Negotiators should consider looking at Chapter 28 of the USMCA as they consider specific language to advance in the context of discussions with IPEF partner nations.

⁷ Patrick Lozada, *Comments of the Telecommunications Industry Association on Significant Foreign Trade Barriers for the National Trade Estimate Report*, The Telecommunications Industry Association (October 26, 2021) (available at <https://tiaonline.org/policy/tia-comments-2022-nte-1377/>).

8. Customs and trade facilitation issues.

As mentioned previously, the Information Technology Agreement is a cornerstone for the global ICT supply chain by decreasing prices, supporting supply chain resilience, and creating opportunities for cutting-edge U.S. exports abroad. Some IPEF countries – including Indonesia⁸ and India⁹ – assess tariffs on ICT products that are outside of the zero-duty bound rates agreed to pursuant to their participation in the ITA. Pursuing compliance with these commitments should be a priority for USTR and the Commerce Department.

Promoting the adoption of e-labels is another commonsense trade facilitation issue that USTR and the Department of Commerce should consider as a part of IPEF negotiations. As things currently stand, telecommunications companies are often required to demonstrate conformity with regulatory regimes relating to a range of issues from electromagnetic radiation to cybersecurity across hundreds of jurisdictions by stamping their products with dozens of marks from conformity assessment. These labels impart very little information to consumers and can be cumbersome and costly to produce. The use of electronic labels – for example via a digital display on a device’s screen, a link to a website via a text URL, or a machine-readable code (e.g., a QR code) – lowers costs, helps consumers access more up-to-date information about their products, and support regulators and customs officials in accessing compliance

⁸ Information Technology Industry Council, *ITI Urges USTR to Address Indonesia Tariffs on ICT Products* (January 28, 2022) (available at <https://www.itic.org/news-events/news-releases/iti-urges-ustr-to-address-indonesia-tariffs-on-ict-products>).

⁹ Telecommunications Industry Association, et al., *Association Letter to USTR on India ICT Tariffs* (March 29, 2021) (available at https://tiaonline.org/wp-content/uploads/2021/03/210329-Multi-association-Ltr-to-USTR-wrt-India-ICT-tariff_FINAL.pdf).

information.¹⁰ As things stand now, Malaysia, the Philippines, Singapore, Thailand, and Vietnam allow or are considering e-labeling.¹¹ USTR and the Commerce Department could use the IPEF as a way to convene discussions supporting the broader adoption of e-labeling across the Indo-Pacific leveraging best practices laid out in international standards such as those in the ISO/IEC 22603 family.

10. Other measures or practices, including those of third-country entities, which undermine fair market opportunities for U.S. workers, farmers, ranchers, and businesses.

China's practices with respect to promoting certain state-affiliated, untrusted vendors pose a challenge for U.S. companies and trusted vendors from partner countries seeking to compete and win contracts in the Indo-Pacific. Practices of concern include:

- Direct and indirect subsidies from the Chinese government¹²
- Intellectual property theft¹³
- Non-transparent, non-market-oriented export credit¹⁴

¹⁰ Cory, Nigel, *How E-labels Can Support Trade and Innovation in ICT, Medical, and Other Products*, Information Technology and Innovation Foundation (October 27, 2021) (available at <https://itif.org/publications/2021/10/27/how-e-labels-can-support-trade-and-innovation-ict-medical-and-other-products>).

¹¹ *Id.*

¹² Yap, Chui-Wei, *State Support Helped Fuel Huawei's Global Rise*, The Wall Street Journal (December 25, 2019) (available at <https://www.wsj.com/articles/state-support-helped-fuel-huaweis-global-rise-11577280736>).

¹³ The Department of Justice, *Chinese Telecommunications Conglomerate Huawei and Subsidiaries Charged in Racketeering Conspiracy and Conspiracy to Steal Trade Secrets* (February 13, 2020) (available at <https://www.justice.gov/opa/pr/chinese-telecommunications-conglomerate-huawei-and-subsidiaries-charged-racketeering>).

¹⁴ Hart, Melanie; Link, Jordan, *Sources for Huawei global equipment deals with Chinese state bank export financing*, Center for American Progress (October 14, 2020) (available at <https://cdn.americanprogress.org/content/uploads/2020/10/09083634/HuaweiReportAppendixSources.pdf>).

- Corrupt practices in business negotiations¹⁵
- Extensive and coercive diplomatic pressure¹⁶

The United States cannot and should not retaliate in kind. Instead, we recommend that we work with our partners in the region to establish a fair and open framework in which trusted vendors can compete and win against vendors affiliated with the Chinese government.

CONCLUSION

TIA appreciates the work that both USTR and the Department of Commerce do to promote U.S. exports, address global economic challenges, and promote fair and resilient conditions in global markets. We urge both agencies to work to make these negotiations yield ambitious outcomes that provide meaningful opportunities for American workers with a particular emphasis on the power of telecommunications to expand opportunities both at home and abroad.

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¹⁵ The Department of Justice, *Huawei CFO Wanzhou Meng Admits to Misleading Global Financial Institution* (September 24, 2021) (available at <https://www.justice.gov/opa/pr/huawei-cfo-wanzhou-meng-admits-misleading-global-financial-institution>).

¹⁶ RWR Advisory Group, *Huawei Risk Tracker* (last accessed April 11, 2022) (available at <https://huawei.rwradvisory.com/>).