



May 1, 2003

Secretary  
U.S. International Trade Commission  
500 E Street, SW  
Washington, DC 20436

Re: TIA Comments on the U.S.-Singapore Free Trade Agreement: Potential Economywide and Selected Sectoral Effects

Dear Secretary:

The Telecommunications Industry Association (TIA) is the leading U.S. non-profit trade association serving the U.S. communications and information technology industry, with proven strengths in domestic and international advocacy, market development, standards development, trade shows and e-business. Through our worldwide activities, the association facilitates business development opportunities and a competitive market environment. TIA provides a market-focused forum for its nearly 1,000 member companies, which manufacture and supply the products and services used in global communications.

TIA supports the successful conclusion of the U.S.-Singapore Free Trade Agreement (USSFTA), and we hope for its speedy passage through Congress. The USSFTA is the first U.S. bilateral free trade agreement in Asia, which is an important region for the telecommunications sector.

As a signatory to the World Trade Organization's Information Technology Agreement (ITA), Singapore already has removed tariffs on key information technology and communications products. However, the agreement includes additional provisions that further facilitate trade in communications products and services. For example, the agreement includes simplified customs procedures, increased market access for telecommunications services, favorable e-commerce provisions and improved intellectual property rights protection. These are particularly important because Singapore's telecom services market is estimated to reach \$3.8 billion in 2003,<sup>1</sup> which has a profoundly positive impact on trade and investment in related telecommunications equipment.

TIA would like to express its pleasure concerning a number of key provisions included in the free trade agreement. While the text of many of the chapters is important for our members, I will use this opportunity to highlight a few chapters of particular importance to our member companies.

*Market Access for Goods*

TIA supports many of the provisions included in Chapter 2, National Treatment and Market Access for Goods. Specifically, we are pleased that Singapore has agreed to bind all tariffs at zero upon entry-into-force of the agreement, and the U.S. has agreed to phase out more than 90 percent of its tariff lines within four years. The elimination of duties on communications goods will facilitate trade, increase transparency and reduce costs for exporters, importers, consumers and businesses.

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<sup>1</sup> U.S. Department of Commerce

### *Customs*

TIA supports many of the provisions in Chapter 4 on Customs Administration. As a result of the agreement, laws, regulations, guidelines, procedures and administrative rulings governing customs matters will be promptly published, either on the Internet or in print form. This will promote the highest standards of transparency. Moreover, we applaud the commitment of both parties to endeavor to publish regulations in advance and provide an opportunity for interested persons to comment on those regulations before they are put into force. These provisions support an inclusive environment in which parties can participate in the creation of relevant regulatory frameworks.

TIA also supports the provisions that call for each party to adopt procedures that provide for the quick and efficient release of goods upon entry into each other's customs territory. These provisions will expedite the customs clearance process, thus enabling firms to save storage costs and better manage their inventories.

### *Technical Barriers to Trade (TBT)*

Standards, technical regulations and conformity assessment procedures are ever-changing at both international and national levels in the United States and in Singapore. Thus, the TBT chapter in the U.S.-Singapore FTA takes a positive step in the right direction toward eliminating those standards, technical regulations and procedures that have slowed trade growth in telecommunications products and services in recent years. The FTA promotes the elimination of technical barriers to trade, provides for on-going cooperation between the trading partners and facilitates the continual compliance with evolving standards and technical regulations.

The USSFTA incorporates many positive points in its TBT chapter. First, the agreement provides for enhanced cooperation between the two countries following their commitments in the WTO Agreement on Technical Barriers to Trade, and it is consistent with the WTO principles of openness, non-discrimination and transparency. This is important to the telecommunications sector, in particular, because the removal of costly and burdensome regulatory procedures helps exporters in both countries. Enhanced efforts to address these technical regulatory issues are especially important to the fast-paced telecommunications sector, as delays in time to market are particularly damaging to the competitiveness of the latest U.S. technology.

In addition, the agreement states that both sides will take steps to implement Phase I and Phase II of the APEC Mutual Recognition Agreement (MRA) for conformity assessment of telecommunications equipment. This is beneficial to TIA members because the implementation of the APEC MRA will help liberalize the flow of telecommunications equipment throughout the region. Specifically, it will facilitate conformity assessment; decrease time-to-market for exports; allow conformity assessment bodies in both countries to increase the value of their services by testing and certifying products for multiple markets; assist regulatory authorities in both countries by reducing the amount of resources required to certify equipment; and help consumers by increasing their access to the widest variety of available technology, lowering costs and speeding the development of telecommunications infrastructure.


The agreement also supports the exchange of information on technical standards and regulations for all goods. TIA is very supportive of this concept because better understanding on the part of both parties about standards and regulations for goods will: facilitate efficiencies in the way those goods are brought to market, facilitate testing and certification and promote transparency. This will benefit manufacturers, service providers, conformity assessment bodies, regulators and consumers alike.

1300 Pennsylvania Ave., N.W.  
Suite 350  
Washington, D.C. 20004  
USA

+1.202.383.1480  
FAX +1.202.383.1495

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Finally, the agreement directs the parties to continue work on the APEC work program on Standards and Conformance, which uses the least interventionist methods necessary to achieve regulatory objectives in new areas, such as national treatment, and to cooperate on conformity assessment procedures and other areas of mutual interest. This is also extremely beneficial for conformity assessment bodies, manufacturers and regulators.

#### *Telecommunications Services*

Chapter 9 of the agreement, or the telecommunications services chapter, also contains a number of points we feel will benefit the telecommunications industry. The FTA ensures access to and use of public telecommunications networks and services on a non-discriminatory basis. The non-discriminatory treatment is very important, and it is a concept that we wholeheartedly support.

Also notable is the fact that the U.S.-Singapore FTA uses a “negative list” approach for services, which is the first time that Singapore has used this approach in a trade agreement. The “negative list” approach is beneficial for the introduction of all new services not initially exempted because new services will automatically start off as liberalized. As a result, the principles of market access, transparency and non-discrimination for telecom and other services will be reinforced.

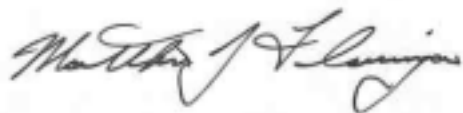
The services chapter also ensures the highest level of transparency in telecommunications services by guaranteeing the publication of telecom regulations, ensuring consultations on regulations, ensuring a prior notice period for new regulations and changes to existing regulations, as well as offering full recourse to appeal decisions of the telecommunications regulatory bodies. These provisions are beneficial for governments, regulators, companies and consumers. TIA strongly supports these provisions.

Furthermore, TIA supports the inclusion of the non-binding language in the U.S.-Singapore FTA calling for technology neutrality in the mobile communications sector. While our members feel this language is a useful starting point, TIA urges USTR to include *binding* rules on technology neutrality in future agreements in order to avoid enforcement and implementation problems in this area.

#### *Conclusion*

Once again, TIA would like to express its support for the U.S.-Singapore Free Trade Agreement. We believe that the benefits to businesses, governments and consumers will be very positive and wide-ranging. We hope that Congress will approve this agreement quickly, and we look forward to its successful implementation.

Sincerely,



Matthew J. Flanigan  
President

1300 Pennsylvania Ave., N.W.  
Suite 350  
Washington, D.C. 20004  
USA

+1.202.383.1480  
FAX +1.202.383.1495

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