



**TELECOMMUNICATIONS
INDUSTRY ASSOCIATION**

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January 27, 2015

The Honorable Orrin G. Hatch
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Ron Wyden
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Hatch and Ranking Member Wyden:

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 on “President Obama’s 2015 Trade Policy Agenda”. With an ambitious trade policy agenda that includes the potential conclusion of the Trans-Pacific Partnership (TPP), TIA strongly supports the bipartisan renewal of Trade Promotion Authority (TPA) this year. Trade agreements like the TPP are critical to the telecommunications sector because they promote trade liberalizing, market-based, and technology neutral approaches in international markets, which facilitates U.S. exports and investment.

Global investment is increasing in both wireless and fixed broadband networks. This global 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. Driven by this need, the global telecommunications market for equipment and related services was valued at \$5.4 trillion in 2014 – with about 75 percent of the total marketplace located outside of the United States.

The bipartisan renewal of TPA is essential to increasing the nation’s level of exports overall and to the growth of the U.S. ICT industry in particular. In addition, renewal of TPA presents the opportunity to address 21st century trade negotiating objectives related to digital trade and cross-border data flows, as well as the proliferation of localization barriers to trade. Moreover, experience shows that the effects of prior trade agreements on telecommunications equipment exports are both demonstrable and dramatic. According to *TIA’s 2014-2017 ICT Market Review and Forecast*, although countries having trade agreements with the United States currently represent only 13 percent of the overseas economy, they account for 38.6 percent of U.S. exports in telecommunications equipment in 2013.

Updated TPA legislation will further strengthen the partnership between Congress and the Administration through enhanced Congressional oversight, transparency, and consultations, which will ultimately result in stronger trade agreements for the benefit of the U.S. economy and job creation. With active negotiations to conclude the TPP as well as to advance the Transatlantic Trade and Investment Partnership and Trade in Services Agreement, TPA renewal will send a strong signal to other negotiating parties on the priority the United States places on high-standard trade agreements that enhance trade liberalization and market access for U.S. industry.

We appreciate the attention of the Committee on Finance on the Administration's 2015 Trade Policy Agenda because trade is critical to job creation and the expansion of the U.S. economy. In addition to the bipartisan renewal of TPA, we would also underscore that the United States must ensure that other countries live up to their obligations under the World Trade Organization or other agreements, and in particular, refrain from implementing localization barriers to trade, including requirements for the local storage or processing of data.

Thank you again for your work on these important issues related to the global competitiveness of the U.S. ICT industry, and we look forward to working with you to ensure that TPA is enacted in 2015. For more information, please contact Danielle Coffey at 703-907-7734 or by email at DCoffey@tiaonline.org.

Regards,

A handwritten signature in black ink, appearing to read "Scott Belcher". The signature is fluid and cursive, with a long horizontal stroke at the end.

Scott Belcher
Chief Executive Officer
Telecommunications Industry Association