



January 13, 2012

Via Online Submission www.regulations.gov

Donald W. Eiss, Trade Policy Staff Committee
Trade Policy Staff Committee
Office of the U.S. Trade Representative
1724 F Street, N.W.
Washington, DC 20508

RE: Canada's Expression of Interest in the Trans-Pacific Partnership Trade Negotiations

Dear Mr. Eiss:

In response to the Federal Register notice issued on December 7, 2011, the Telecommunications Industry Association (TIA) and its hundreds of member companies would like to thank you for the opportunity to submit comments regarding Canada joining the Trans-Pacific Partnership (TPP) trade agreement negotiations.

TIA represents the global information and communications technology (ICT) industry through standards development, advocacy, tradeshow, business opportunities, market intelligence and world-wide environmental regulatory analysis. TIA continues to facilitate the convergence of new communications networks while working towards a competitive and innovative market environment.

According to TIA's 2011 ICT Market Review and Forecast, Canada's compounded annual growth rate for telecommunications spending between 2011 and 2014 is 5.6%. The country's equipment market is expected to continue to grow faster than the services market during the next four years, driven by LTE and broadband rollouts, steady growth in enterprise equipment as companies invest to take advantage of the improved infrastructure, and growth in smartphone penetration that will fuel handset spending. Canada was the second leading destination for U.S. telecommunications equipment exports in 2008–10. In 2010, the U.S. exported \$1.7 billion to Canada, 7.3% more than in 2009.

Implementing free trade agreements is an important component for building a strong, global digital economy that relies on a quality infrastructure, a network of services, and a solid legal and commercial framework providing confidence and protection to investors. TIA fully supports Canada's entry into the TPP negotiations and is encouraged that the country is already a signatory to the World Trade Organization's (WTO) Information Technology Agreement (ITA) and has an established independent telecommunications regulator. Canada is also a NAFTA partner.

TIA reemphasizes the importance of the WTO Basic Telecommunications Agreement Reference Paper Article 6, which states that "any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner." The United States

Government should ensure in future trade agreements that resource allocation procedures for all telecommunication services are followed in this regard. Furthermore, TIA supports the use of auctions as a means of allocating *commercial* spectrum. As more applications and devices are introduced to the network, the need for more spectrum and its properties will rapidly increase. In addition, TIA and its members are strong advocates of the principle of technology neutrality. Confirming that all governments take an open and non-discriminatory approach to different technologies will ensure a globally competitive and innovative ICT industry.

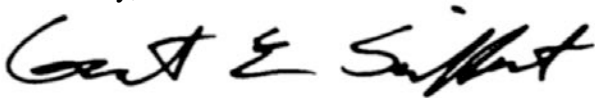
In June 2010, Industry Canada undertook a review of its foreign direct investment (FDI) limits in the telecommunications sector (currently capped at 49%). To date, the final policy decision is pending. Canada should reduce foreign ownership limits and implement policies that will expand and liberalize foreign investment opportunities throughout the telecommunications industry which will result in increased deployment of ICTs across a range of platforms throughout the country. Specifically, TIA supports a 100% foreign investment policy that would apply equally to all telecommunications carriers, as the telecommunications market continues to experience convergence of services (voice, data, and video). Policies that are implemented in a manner that impose regulations equally across all market participants will increase investment, innovation, and customer satisfaction by increasing competition.

Last, market trends are driving the use of encryption in everyday commercial products. Regarding the import and commercial sale of products containing cryptographic capabilities, TIA seeks a commitment from TPP countries to not: 1) require the transfer of or access to proprietary knowledge, 2) require partnering with a domestic entity, or 3) require the use of a particular technology or standard not based on a relevant and widely accepted international standard. The import, use, and sale of products containing encryption should be largely unrestricted; in narrow circumstances where regulation may be justified (e.g., certain government or military uses), we recommend a flexible, global approach. These commitments will ensure TPP signatories' domestic consumers and businesses access to products and product features that better protect security and privacy in and across a variety of ICT products and systems.

TIA wishes to express its appreciation to the USTR for its efforts on behalf of the U.S. ICT industry. It is important that the United States continue its efforts, both bilaterally and multilaterally, to bring about a fully competitive world market for ICT equipment.

If you have any questions about this submission or if we can assist you in other ways, please do not hesitate to contact Nick Fetchko, Director for International and Government Affairs, at 202-346-3246 or at nfetchko@tiaonline.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Grant E. Seiffert". The signature is fluid and cursive, written over a white background.

Grant Seiffert
President