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ABSTRACT

Computer & Communications Industry Association

OPEN MARKETS & INTERNATIONAL TRADE

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- *CCIA continues to strongly support open markets and expanded trade. Trade policy should be above partisanship and debated on its long-term merits.*
- *The use of “free” trade agreements to expand IPR regulatory controls beyond consensus norms should be stopped.*

Background: For more than three decades CCIA has supported free and open markets as a core principle of the association. CCIA recognizes that free trade has advantages for all nations, as it promotes the production of goods and services most suitable to indigenous resources and workforce skills. As the leading export industry of the U.S., the high-tech sector in particular benefits greatly from expanded trade. Since high-tech products and services are high revenue and high wage, produce little waste or pollutants, and drives advanced education and scientific research, a vibrant high-tech sector also benefits our economy and environment.

U.S. government officials, in their proper quest to get countries without meaningful intellectual property rights (IPR) laws to adopt basic protections which can facilitate trade, have constantly raised the demands on our trading partners. At a time when significant sectors of our economy are calling for reform of both patent and copyright laws, it still remains government policy to require our trading partners not only to duplicate but also expand upon U.S. IPR regimes in their domestic legislation.

CCIA’s Position: CCIA continues to promote expanded trade and market access for high-tech exports through the abolition of tariffs and non-tariff trade barriers. CCIA believes that multilateral negotiations at the WTO should be the forum for securing expanded free trade. We have concerns that the recent movement toward bilateral trade agreements may undermine efforts at the WTO.

The inclusion of counterproductive provisions, such as overly broad intellectual property protections, in the name of free trade is a disturbing trend in recently negotiated free trade agreements. Trade agreements are being used to inappropriately and unwisely alter and expand intellectual property protection both domestically and internationally. Intellectual property regimes need to be balanced and fair to all legitimate stakeholders. Trade agreements should facilitate the import and export of products and services and not used as a back door vehicle to export the details of IP protection that remains domestically controversial. While CCIA reiterates its commitment to free trade, the concerns over these IP provisions must be addressed.

CCIA is deeply concerned that the exploitation of trade as a partisan wedge issue has shattered the bipartisan free trade consensus that had guided the U.S. economy through a period of unprecedented expansion. Support for free trade is not a political decision, but a principled stand

that puts the long-term greater good of the nation ahead of short-term political calculation. As such, trade needs to be insulated from politics and partisanship as much as possible. CCIA believes that we must get back to debating and voting on trade agreements according to their own merits, not according to electoral advantage.

For decades, the U.S. has been the standard-bearer in the promotion of free trade and greater access to global markets. If the U.S. is seen as wavering in that mission, it could give other countries an excuse to engage in the kind of beggar-thy-neighbor, every-country-for-itself actions that worsened and prolonged the Great Depression. For that reason, CCIA opposes the use of Buy American provisions in stimulus and other procurement projects.

Current Issues: The three free trade agreements (FTA) left over from the Bush Administration (Colombia, Panama and South Korea) remain pending. The KORUS FTA is the largest trade agreement to come before Congress since NAFTA, and as part of the U.S.-Korea FTA Business Coalition, CCIA continues to follow its progress closely.

The Obama Administration shows no signs of submitting the pending FTAs to Congress. Opponents of trade are far more vocal in Congress than its supporters. Trade has become a scapegoat for the economic anxiety felt by people facing a rapidly changing world. This year, the President has issued the National Export Initiative, committing to the goal of doubling exports in the next five years. The Initiative aims to facilitate the creation of jobs through export promotion, and the Administration's linking of trade to its top economic priority of job creation is an encouraging sign that there will be more positive movement on trade policy.

The Administration is also in negotiations for the Trans-Pacific Partnership (TPP) Agreement with New Zealand, Singapore, Chile, Peru, Australia, Vietnam and Brunei. We are hopeful that it will result in a gold standard integration agreement that moves beyond bilaterals, and a tangible sign of the U.S. commitment to the Asia-Pacific region.

Finally, CCIA has deep concerns about recent policies implemented by the Chinese government, such as Internet censorship and Indigenous Innovation procurement requirements, that seek to either restrict access to Chinese markets or force foreign companies to acquiesce to Chinese government demands as the price of access. This strategy of throwing up hurdles that are impossible for foreign companies to clear, whether it be relinquishing intellectual property rights or bowing to Internet censorship demands, is discriminatory in nature by forcing them to eliminate their differences with domestic Chinese competitors. Concerted action between the U.S. government and partners such as the E.U. and Japan have resulted in the Chinese moderating some of their policies, but continued multilateral vigilance is needed to convince China that access to its markets is not a coin that enables them to buy their way out of playing by the global trading system rules.