

ASIA PACIFIC CARRIERS' COALITION
(Incorporated in the Republic of Singapore)



BY EMAIL AND POST

May 8, 2014

Minister Mustapha Mohamed
Tingkat 15, Blok 10, 50622
Kuala Lumpur, WP Kuala Lumpur
Malaysia

Dear Minister Mustapha Mohamed,

The APCC is an industry association of global and regional carriers operating in the Asia Pacific region, formed to work with governments, national regulatory authorities and consumers to promote open market policies and best practice regulatory frameworks throughout the Asia Pacific region that will support competition and encourage new and efficient investment in telecommunications markets. We are writing to you in relation to the Trans Pacific Partnership.

The Trans Pacific Partnership has the potential to promote investment, innovation and economic growth in the Asia-Pacific region by addressing barriers that currently impede trade in information, communications and technology (ICT) services. ICT services have important multiplier effects across other economic sectors and thus play an important role in stimulating broader economic activity. In recent years, new and innovative developments in ICT have expanded the scope of services that can be traded across borders and offer the potential for even greater multiplier effects in other sectors in the future. For example, public cloud services are projected to grow an average of 18% per year from 2011-2016. The highest growth rates in cloud services are in Asia and Latin America.

To realize the potential benefits offered by ICT developments, we urge the negotiators to strive for an ambitious TPP with commitments that will bolster trade in digital services of all types. As digital services and global access to the Internet expand, there are enormous opportunities for economic growth – but, at the same time, we see some countries seeking to introduce burdensome new regulations on innovative services, such as mandating in-country data storage and server location, and pursuing privacy and security objectives in trade-restrictive ways. At this crossroads, it is essential to ensure market access and flexible policy regimes through forward-looking trade agreements. In particular, it is important to promote the ability to transmit data seamlessly across borders, which is at the heart of trade in digital services.

To achieve a truly ambitious agreement that will address these barriers, we urge you to seek commitments that will significantly expand those in the WTO General Agreement on Trade in Services (GATS) and existing regional and bilateral Free Trade Agreements of the parties

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participating in these negotiations. The critical market access barriers impeding growth in ICT that should be addressed by the TPP include: restrictions on the cross-border supply of services, including cross-border data flows; restrictions on foreign direct investment that result in forced joint ventures; and many "behind-the-border" measures that restrict and limit investment, such as discriminatory licensing regimes, inadequate regulatory coherence and a lack of transparency.

An ambitious agreement that builds upon existing WTO, regional and bilateral agreements to provide new market access opportunities and increased global information flows by ensuring that ICT service providers receive equal treatment in national markets would benefit each national economy by stimulating greater innovation, investment and growth in the many industries and services that derive key capabilities and efficiencies from ICT services and thus would stimulate broader economic growth throughout the Asia-Pacific region.

Therefore, we call on the TPP negotiators to include the following in the TPP:

1. Full Market Access for basic and value added services in the Telecommunications Chapter without any limitations;
2. Prevent parties from restricting Cross Border Data flows with limited exceptions consistent with GATS Article XIV.

Sincerely,

A handwritten signature in black ink, appearing to read 'Simon Smith'.

Simon Smith
President, Asia Pacific Carriers' Coalition
Email: simon.smith@pacnet.com