



MOTOROLA

May 8, 2001

Ms. Gloria Blue
Executive Secretary, Trade Policy Staff Committee
Office of the US Trade Representative
600 17th Street, NW
Washington, D.C. 20508

RE: Fourth Ministerial Conference of the World Trade Organization

Dear Ms. Blue:

Motorola appreciates the opportunity to express our views on U.S. objectives for the upcoming meeting of the World Trade Organization Ministerial Conference in Doha, Qatar. We fully support the initiation of a new round of multilateral trade negotiations and urge the greatest possible flexibility on the part of WTO members regarding issues to be included on the agenda and modalities for conclusion of market-opening agreements. We urge the United States to take the lead in the drive toward greater trade liberalization in order to ensure that the needs of all sectors and economies are met. We also urge that, in keeping with the fast pace of business and technology change, the parties aim for expeditious completion of the negotiations. Hence, the final agreed agenda should be specific, with clear timeframes for completion.

Motorola considers the following to be priority objectives for multilateral negotiations:

Tariff Reduction/ITA

The Information Technology Agreement (ITA), concluded in 1997, covers many of the products and markets of primary concern to Motorola today. However, fast-paced technology changes and the continuing, rapid convergence of computing, telecommunications and consumer electronics make it essential that the ITA be updated continually to ensure fully open trade for information technology. While we applaud the current ITA Committee work program to identify and eliminate nontariff IT trade barriers, this effort has not been matched by similar progress on tariffs. To date, ITA members have been unable to agree on a modest package of additional products for coverage under the "ITA-2" process. Motorola therefore urges U.S. negotiators to use the momentum leading up the Ministerial meeting to achieve the earliest possible conclusion of ITA-2, preferably prior to the conclusion of the Qatar meeting. In addition, the classification of convergence of all-IT products are of the highest priority.

Finally, in the tariff area, although a number of countries have joined the ITA as part of their WTO accession process, other significant trading partners remain outside the Agreement and maintain may high IT rates. We seek reductions in these countries' rates through all appropriate vehicles.



Rules of Origin

In the context of the WTO, the United States should seek a consistent and standardized approach in determining origin, marking and labeling requirements. Such consistency would benefit U.S. industry by reducing the need for excessive scrutiny by Customs officials and helping the clearance of imports globally. Motorola also urges that countries agree to use tariff shift origin criteria, as opposed to content-based criteria.

Customs Procedures

There likewise should be consistency in import clearance procedures, including valuation, used throughout the WTO member countries. The standardization of these processes -- including as they affect software -- would benefit Motorola by expediting import clearances, reducing cycle time globally, and offering some predictability in how products are valued for customs purposes. With regard to software, we strongly support valuation based on the value of the carrier media and seek to encourage adoption of this method by all member countries. In addition, we continue to experience examples of inconsistent implementation of established GATT valuation rules and support efforts that encourage greater consistency in the adoption of those rules that ~~already exist~~.

Product Certification/Standards

The use of standards and technical regulations, including marking and labeling requirements, and the conformity in assessment procedures, should not be used as a "technical barrier to trade". Many governments have ill-defined and complex regulations on this subject. Unclear regulations do not provide adequate protection against the use of product certification and standards as obstacles to the timely, cost-effective importation of communications products. Moreover, as indicated in the Information Technology Agreement Coalition's April 9, 2001 letter to USTR regarding non-tariff measures in the IT sector, "there has been an exponential increase in redundant testing and certification requirements worldwide. These add time and cost to the manufacturer in bringing products to market, delay consumer access to the latest technology and result in additional cost with no added value to the consumer."

Government Procurement

Government entities remain an important customer for Motorola, and the lack of access to procurement by governments around the world is of particular concern to Motorola. The limited participation in the Government Procurement Code has been problematic for many years, since many WTO member countries have not undertaken international commitments to create transparent, nondiscriminatory government purchasing practices. In the first instance, transparency is key to enabling non-traditional suppliers to learn of potential sales opportunities and any preferences provided to competitors. Ultimately, full and open access to government markets should be the goal.



Regulation of Telecommunications Services

Vendors and operators are transforming themselves from voice-centric, circuit switched providers of product to data-centric, IP-based providers. Large operators have already begun investing in upgrading their networks to an "all IP" architecture. These systems will deliver converged voice/data/multi-media services. Given the predominance of data/multi-media characteristics rather than voice, the application of the traditional telephony regulatory framework must be reconsidered. As manufacturers and suppliers move increasingly to IP-based networks and provision of end-to-end solutions, it will be necessary to agree on appropriate pricing of Internet services, leased-line bypass of national and international carriers and settlement of accounts. The preliminary view is that current telecommunications regulatory frameworks are ill-suited for the Internet.

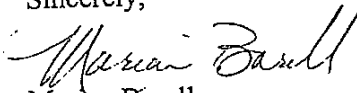
With respect to basic telecommunications, the 1997 WTO Agreement on Basic Telecommunications (ABT) Services is designed to increase competition and create pro-competitive regulatory structures among participating countries for the provision of traditional telecommunications service. Motorola urges that the United States press for improved commitments for market access for cross-border provision of services, foreign investment, and pro-competitive regulatory principles, and expanded country coverage under the ABT.

Electronic Commerce

Given that most e-commerce today is business-to-business, regulatory issues are mostly handled by generally recognized commercial relationships. However forecasts show that the 500 million wireless voice users and the 200 million wired Internet access users will converge to become one billion wireless Internet access users by the year 2005. Ensuring that the benefits of the growth of e-commerce are recognized as outweighing the potential costs, and imposing regulation only where truly required, are the challenges as this market develops. U.S. industry interests are best served by a "light touch" of regulation on e-commerce and m-commerce as it evolves globally, and we hope you will factor this in as you commence negotiations with Chile.

Thank you again for the opportunity to provide comments in this process. If you have any questions related to this submission or if there are other ways we can assist you, please contact me at 202-371-6943.

Sincerely,


Marian Barell
Vice President and Director
Global Trade Policy