



For Immediate Release

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USITO Testifies on China's Compliance with its WTO Commitments

Washington, DC (October 2, 2009) – In oral testimony today at a public hearing in front of the U.S. Trade Policy Staff Committee on China's compliance with its World Trade Organization (WTO) commitments, representatives of the U.S. Information Technology Office (USITO), the leading policy-centered independent NGO focused on the high-tech industry in China, spoke about both progress and challenges in China in its last eight years as a WTO member.

On September 22, USITO submitted its written comments to USTR on China's WTO compliance. In its comments – which covered a wide range of areas, including intellectual property, market access, technical barriers to trade, national treatment, and information security – USITO noted that China has made important policy changes since acceding to the World Trade Organization, enabling China to become the dynamic economic power it is today. However, the comments emphasized China's continued campaign to promote "indigenous innovation," applied through industrial policies and measures that systematically favor products and services of Chinese companies over those of foreign invested companies. This can be seen in a number of areas ranging from the development of national standards and conformity assessment, to competition policy and local favoritism in government procurement.

Some highlights from USITO's testimony:

Nick Fetchko, Chair of the USITO Executive Committee and Director of International and Government Affairs at the Telecommunications Industry Association (TIA), noted that "telecommunications equipment manufacturers must seek several different and often times confusing technical licenses or approvals to be permitted to sell their equipment in China, contrary to the country's WTO Accession commitments to streamline and make transparent such conformity assessment procedures."

Mark Bohannon, General Counsel & SVP Public Policy at the Software & Information Industry Association (SIIA), emphasized that "Chinese Government procurement practices and policies that continue to be implemented in a manner that appears to be in conflict with the principles of the WTO's Government Procurement Agreement (GPA). USITO continues to urge the U.S. Government to continue its hard work to ensure a meaningful and comprehensive final commitment by China."

John Neuffer, Vice President for Global Policy at the Information Technology Industry Council (ITI), said, “We encourage China to adopt global approaches to the formulation and implementation of policies related to the testing and certification of information security products in a manner that promotes innovation, market access and economic growth.”

Anne Craib, Director of Market Research and International Affairs at the Semiconductor Industry Association (SIA), noted, “Counterfeit semiconductors are an increasing problem. They can result in anything from a consumer paying for a fast computer but getting a slow computer, to more serious problems including failures in applications involving health and safety, including medical equipment, automotive or aerospace applications, or communications infrastructure for first responders. USITO welcomes the chance to continue pursuing this problem in cooperation with the U.S. Government.”

The entire USITO Submission to USTR can be found at:

http://siia.net/index.php?option=com_docman&task=doc_download&gid=2243&Itemid=48

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About USITO

USITO is an independent, not-for-profit, membership-based trade association, established in late 1994 to act as the joint office in China of several U.S.-based trade associations representing the high-tech industry. USITO comprises a consortium of five U.S. industry associations and U.S. companies in the information technologies industry that seek direct representation.

- **The Information Technology Industry Council (ITI)** is the premiere voice, advocate, and thought leader for the information and communications technology (ICT) industry. ITI is widely recognized as the tech industry's most effective advocacy organization in Washington D.C., and in various foreign capitals around the world.
- The **Semiconductor Industry Association (SIA)** is the leading voice for the semiconductor industry and has represented U.S. semiconductor companies since 1977. The semiconductor industry is America's second-largest exporting industry. Collectively, the chip industry employs a domestic workforce of approximately 200,000 people. More information about the SIA can be found at www.sia-online.org.
- **The Software & Information Industry Association (SIIA)** is the principal trade association of the software and digital content industry representing more than 500 software publishers, developers, and service providers from around the world.
- Representing nearly 1,500 member companies of all sizes from the public and commercial sectors of the economy, **TechAmerica** (formed by a merger of AeA and ITAA) is the industry's largest advocacy organization and is dedicated to helping members' top and bottom lines. It is also the technology industry's only grassroots-to-global advocacy network, with offices and partnerships in state capitals across the United States, in Washington DC, Europe (Brussels) and Asia (Beijing) and around the world.
- **The Telecommunications Industry Association (TIA)** is the leading U.S. non-profit trade association serving the information and communications technology industry. TIA's 500 member companies are manufacturers and suppliers for the global communications market.