

## **TELECOMS SERVICES IN TISA by Larry Stone from British Telecom**

BT is very supportive of ambition - via a win/win 'broadly reciprocal' approach - in the plurilateral Trade in Services Agreement (TiSA) work. We are supportive too of the bilateral trade negotiations concluded or being undertaken too by the EU with Korea, the USA, India, Singapore, Mercosur and elsewhere;

- BT is the UK's largest fixed communications provider and operates in 170 countries offering enterprise B2B ICT services to MNCs, governments and other organisations. We offer services directly or via partners in all TiSA participating nations. We have a global backbone network linking major cities;
- There are six main reasons why we support TiSA: (i) we believe that the services sector is a major strength of the EU (including the UK) and that further market opening will offer mutually beneficial jobs and growth opportunities. There is every opportunity for the EU to 'export' its current and develops developing digital single market and e-commerce thinking internationally; (ii) a services deal with over 50 nations representing nearly 70% of global trade in services would be a boost to global trade at a time of protectionist tendencies in some nations, and might develop over time into a broader WTO accord or at least with a greater representation of BRICS, MINT and ASEAN nations; (iii) trade in services growth and trade in ICT/telecoms growth correlate well, and trade growth in all economic sectors has some reliance on effective communications and information flows on a secure and reliable basis; (iv) we hope that TiSA can lead to increasing broad alignment of open market access and fair market regulation in the telecoms services sector, including for business customers; (v) we also hope that TiSA can reinforce the need for free and open transborder data flows in the interests of trade for all business sectors, whilst of course respecting national/regional data protection and privacy regimes per GATS Article 14. We do have some worries about the approach in some nations to so-called 'data localisation' laws; (vi) the opportunity for improved and more open and transparent regimes for public procurement of services including ICT;
- More specifically on telecoms services, barriers can be categorised variously as lack of liberalisation (no access), FDI caps (limited access) and inadequate regulatory institutions or rules to govern the market (flawed access). We think that behind the borders barriers exist

through inadequate sector specific and/or antitrust regulation. The TiSA participating nations have variable regimes in this context and moves to align over time with EU unrestricted market access and regulatory norms on non-discrimination and transparency and independent regulation etc would be beneficial to global commerce;

- Effective regulation is particularly important for its impact on trans-border and domestic service provision, outside the EU notably - though the EU needs too to complete more deeply its digital single market. Major companies and institutions wishing to connect to many sites in many countries at the same quality of service level prefer often a single supplier. Managed connectivity with sector specific cloud services or applications solutions added e.g. for pharma, financial services, collaborative design;
- These services optimise the performance on intra- and inter-company IT performance permitting collaboration globally, business process innovation e.g. in fashion or pharma R&D, or accelerating the Internet of Things or Industry 4.0 (as especially the Germans prefer). And based on Virtual Private Networks ensuring end-to-end connectivity, and not via the public internet;
- Key to this global B2B telecom services markets is fair non-discriminatory access to economic bottleneck facilities with due accounting transparency and independent regulatory oversight of operators with monopoly power or significant market power. The EU, Japan, Australia, New Zealand, Norway, Korea, Switzerland and some other TiSA nations such as Chile have such regimes in place offering fair wholesale access to telecom networks for 'last kilometre access' for all competitors. The US does not for instance and is something of an outlier in this specific area. This is something we would like to be rectified via TiSA or other regulatory or trade process, as it leads to a lack of a level playing field for domestic and trans-border services. It would also send the right signals to other TiSA members – including too those nations who may join in later – that such core regulatory principles (not dissimilar from, but developing, existing WTO basic telecom norms set out in 1998) are requisite and desirable.

Studies suggest huge benefits to commerce across TiSA nations from a robust telecoms services/ICT chapter. WIK Consulting in 2013 said the benefits in the EU of better regulated business communications markets could be c90 bn Euros pa. A study of the US market in the same year by Gateley Consulting argued that sorting out network access could generate about \$160bn of private telecoms investment;

- There are of course now, given the failure so far of the Doha WTO dialogues, a plethora of plurilateral dialogues, issue specific dialogues and bilateral trade dialogues. The governance mechanism to look across these for dispute resolution, enforcement & implementation, and sharing of ‘best practice’ between agreements seems to me to be a growing challenge. TiSA is one large part of that. Is there a role for the WTO in the sort of ‘clearing house for trade’ context ? I seem to recall Japan suggesting just such a broad idea at a conference I spoke at a couple of years ago in Dublin, and it may be that this area is something now worth pursuing.