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U.S. Reps. Matsui and McCaul Call Attention to India's unfair Preferred Market Access Policy□

Will put U.S High Tech at Competitive Disadvantage□

WASHINGTON, D.C. – Today, the Co-Chairs of the Congressional High Tech Caucus, Congresswoman Doris Matsui (D-CA) and Congressman Mike McCaul (R-TX), sent a bi-partisan letter to the Indian government expressing strong concerns over the Indian government's current Preferred Market Access (PMA) policy that will essentially halt the exports of U.S made high tech goods into the Indian market.

In regard to the new PMA policy, the letter states "this policy will undermine investor confidence and would be inconsistent with India's international obligations, as well as, be a marked departure from opening the Indian ITC sector to the participation of foreign companies."

The letter was signed by twenty-one bi-partisan Members. A PDF copy of the signed letter is available [here](#).

The full text of the letter is below:

The Honorable Nirupama Rao
Ambassador of India to the United States
2107 Massachusetts Avenue, NW

Washington, DC 20008

Dear Ambassador Rao:

We are writing to raise our deep concerns regarding recent policies in the Information and Communications Technology (ICT) sector that could detrimentally affect the U.S.-India bilateral trade and investment relationship. Specifically, we express our deep concerns over the new Preferential Market Access (PMA) policy recently finalized by your government.

The new policy provides procurement preference to domestically manufactured electronic goods "due to security considerations and in Government procurement." As written, these rules would apply to private entities and foreign multinationals, including "government licensees" and "managed service providers."

This application of local content requirements to private sector entities, in particular, represents an unprecedented interference in the procurements of commercial entities. American ICT companies have enjoyed market access for U.S. exports in India over the past two decades, helping drive the country's significant growth in the IT and telecommunications sectors. This policy will undermine investor confidence and would be inconsistent with India's international obligations, as well as, be a marked departure from opening the Indian ITC sector to the participation of foreign companies.

We urge your government, therefore, to reconsider the PMA policy and its impact on the country's ICT sector. We fully appreciate your government's desire to strengthen India's IT and telecommunications security and attract ICT-related manufacturing. Top-down industrial policy mandates, however, will only serve to stifle investment and stymie manufacturing and job creation. Our concerns with the PMA take on greater urgency, given other problematic, discriminatory measures that the Government of India has adopted or is considering in this and other sectors.

We hope that our two governments can address these issues in more detail at the upcoming U.S.-India Strategic Dialogue. We remain committed to supporting efforts by both governments to develop alternative, pro-market policies that will drive innovation, manufacturing and job creation and we look forward to working with you on this issue.

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