



November 5, 2002

The Honorable Robert B. Zoellick
United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Re: Chile FTA

Dear Ambassador Zoellick:

We are writing to express the grave concerns of the U.S. copyright industries represented in the IIPA over the reported inadequacy of the most recent Chilean copyright and enforcement proposals and their proposals which deal with e-commerce and services.

We have publicly expressed our strong belief that the Chile FTA's IPR Chapter must, at a minimum: (a) be TRIPS- and NAFTA-plus, (b) include, on a technologically neutral basis, the obligations in the WIPO Copyright and Performances and Phonograms Treaties (WCT and WPPT), (c) require government use of legal content; (d) ensure the application of full national treatment without the possibility of reservations; (e) provide record companies and performers with broad exclusive rights in line with the requirements of the present digital environment; and (f) include modern and effective enforcement provisions that reflect today's digital and Internet piracy realities, including corporate end user piracy. Since a completed Chile FTA must fully satisfy the negotiating objectives outlined in the Bipartisan Trade Promotion Authority Act of 2002, we are concerned that, because of these deficiencies, the agreement is in real jeopardy. The IPR Chapter, based on recent public reports, forces us to conclude that the September backward-looking and wholly unacceptable Chilean proposal on copyright and enforcement must be rejected as a basis for any further negotiations.

Furthermore, Chile continues to maintain an e-commerce carve-out, a services carve-out and a cultural carve-out that effectively deny many of our industries all benefits of cross-border trade. As a result, Chile reserves the right to adopt any new measure it wishes with regard to these services that otherwise would violate the chapter's provisions on cross-border trade, national treatment, MFN, performance requirements or other provisions. Our industries must not be excluded, carved-out or otherwise shunned from an FTA.

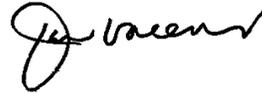
We ask for your assurances that the U.S. government will not accept a U.S.-Chile FTA that fails to include a modern IPR Chapter and that contains any carve-outs for our industries from the services chapter. We request your assistance in delivering the message to Chilean officials that their failure to proceed with productive negotiations in these areas will jeopardize U.S. approval of any FTA.

We appreciate your crucial support in meeting Congressional objectives in your effort to complete the negotiations of the Chile FTA.

Sincerely,



Patricia Schroeder
President and CEO
Association of American Publishers



Jack Valenti
President and CEO
Motion Picture Association of America



Jean Prewitt
President and CEO
AFMA



Robert B. Holleyman, II
President and CEO
Business Software Alliance



Douglas Lowenstein
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Hilary Rosen
Chairman and CEO
Recording Industry Association of America



Eric H. Smith
President
International Intellectual Property Alliance

cc: Peter Allgeier
Regina Vargo
Joseph Papovich