

INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE



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April 16, 2003

The Honorable Robert B. Zoellick
U.S. Trade Representative
600 17th Street NW
Washington, DC 20506

Dear Ambassador Zoellick:

In advance of our June 19 meeting, we wanted to take this opportunity to congratulate you on concluding the Singapore and Chile FTAs. As you know, the International Intellectual Property Alliance (IIPA) continues its decades long support of free trade, and will continue to reach out to the broader community to support initiatives that expand the potential growth of this U.S. economic sector through the protection of our products. IIPA's support extends to the Free Trade Agreement process, and in particular to supporting the Singapore and Chile FTA's, which establish new benchmarks for copyright and other intellectual property rights' protection and enforcement. In addition to IIPA's efforts, some of IIPA's entertainment industry members, namely, MPAA, RIAA, IDSA and AFMA, recently formed the Entertainment Industry Coalition for Free Trade, dedicated to supporting free trade initiatives before the U.S. Congress and helping to spread the message about the importance of intellectual property protection to the U.S. economy. Furthermore, the Business Software Alliance (BSA), as a member of the High Tech Coalition and the IIPA, has also strongly supported your efforts to bring the message of free trade to the Congress, to support the Singapore and Chile FTAs as well to as advance the cause of electronic commerce among our global trading partners. We hope that these efforts, combined with individual efforts undertaken by each of IIPA's member organizations, and our activities as an Alliance, will help to secure broad Congressional and public understanding of, and support for, the expansion of U.S. trade through the protection of intellectual property and a commitment to a free trade agenda.

IIPA and its members, representing the copyright industries in the entertainment, educational and high technology sectors, strongly support the goals you have set for your free trade agenda, and we stand ready to advance those goals in every forum, particularly before the U.S. Congress. We agree with your concept of “competitive liberalization” and view the Free Trade Agreement process as the epicenter of our joint efforts to raise the levels of protection globally for our members’ products by challenging all countries to liberalize their trading regimes. This would include strengthening and deepening their protection for their own creative and technology-based communities at the same time as they open their markets through protection of U.S. intellectual property.

For our sectors to continue to be the engines of U.S. economic growth that they have been for the past two decades, it is essential that copyright laws, vigorously enforced, continue to fuel creativity and promote and protect investment. In the ever changing environment in which we operate, a successful initiative will require a multi-pronged strategy: (a) the negotiation of Free Trade Agreements, both bilateral and plurilateral; (b) the aggressive application of U.S. trade laws, like Special 301 and our various unilateral trade preference programs (GSP, CBI, ATPA etc.); and (c) a truly joint effort to work together to secure the implementation by all our trading partners of the all-important WIPO “Internet” Treaties, which provide the critical legal infrastructure for the growth of electronic commerce in copyrighted materials. This strategy incidentally assists our member companies in defending other vital intellectual property interests, including their trademarks.

We want you to know that we have taken up the challenge that you handed us last year to work with you and the Administration to promote the cause of free trade as *the* leading driver of global and domestic economic growth. Free trade is the lifeblood of our members’ industries. Most of the companies represented in the IIPA generate 50% or more of their revenue from international trade. Already our industries represent 5% of U.S. GDP and are employing new workers at three times the rate of the economy as a whole. This growth has occurred in major part through the efforts of this and previous Administrations to level the playing field in international trade by attempting to ensure that our valuable products are not stolen by pirates.

This year, we look forward to working closely with you to, among other important undertakings, bring to a successful conclusion the four FTAs now being negotiated, to support in Congress the quick approval of the Singapore and Chile FTAs, to make significant progress toward completion of a Free Trade Agreement of the Americas, to assist you in developing a schedule for the negotiation of still new FTAs next year, to work in partnership with the entire U.S. government in securing the full implementation (and additional ratifications) of the WIPO “Internet” Treaties, and, finally, to continue the important fight against global piracy, in all its forms.

Finally, as we eagerly await the release of your annual "Special 301" Report on the adequacy and effectiveness of intellectual property protection around the globe, we wanted to highlight the importance that we attach to the enforcement of existing international obligations. Our industries face mounting challenges as a consequence of inexcusably high rates of piracy in many markets. Such piracy represents the violation of **present** rules—violations that threaten to wholly undermine the continued growth of our industries and which threaten the health of all

information-based economies globally. As we prepare for the future, let's not overlook the present, or we will be paving a road that will go unused.

Thank you for all you have done for the 4.7 million people employed in the copyright industries here in the U.S. Your support is appreciated and welcomed.

Best regards.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric H. Smith", with a stylized flourish extending to the right.

Eric H. Smith
President

cc: Patricia Schroeder (AAP)
Jean Prewitt (AFMA)
Robert Holleyman (BSA)
Doug Lowenstein (IDSA)
Jack Valenti (MPAA)
Hilary Rosen (RIAA)