

July 28, 2010

The Honorable Shri P. Chidambaram  
Minister for Home Affairs  
Room No. 104  
North Block  
New Delhi – 110001

The Honorable Shri A Raja  
Minister of Communications and Information Technology  
Electronic Niketan  
Lodhi Road  
New Delhi – 110003

The Honorable Anand Sharma  
Minister of Commerce and Industry  
Udyog Bhawan, New Delhi - 110107  
India

Dear Ministers Chidambaram, Raja and Sharma:

The undersigned international trade associations, representing thousands of global companies, wish to express our serious concerns with new security provisions regulating the commercial procurement of telecommunications equipment in India. Since initial measures were announced in December of 2009, global industry has been increasingly alarmed by the direction India is taking by imposing vague security approvals and transfer of technology requirements on commercial procurements, among other elements. In spite of numerous attempts to engage with the Indian government to try to strike a balance between its security concerns and preserving a dynamic and growing market for information and communications technologies (ICT), India has not responded to our requests. Most recently, draft documents circulated by India's Department of Telecommunications contain even more onerous requirements, such as the escrowing of source code and other sensitive hardware/software designs. These proposed measures could affect billions of dollars worth of intellectual property and are a nonstarter for the world's leading ICT companies.

Unfortunately, India has not undertaken a public consultation process to engage all stakeholders in developing a regulatory process that would address India's legitimate security concerns while minimizing the impact on commercial transactions. Therefore, these proposals are leading towards an outcome that would be inconsistent with global practices. This is deeply troubling because India has undertaken a number of important reforms in recent years that have enabled it to become a global leader in the ICT sector. We strongly believe that India is putting its global competitive position at risk and will deter future ICT investment.

The global ICT industry continues to stand ready to engage with India to help meet its security concerns through cooperative engagement and expertise. We urge India to put into

abeyance its current and proposed security provisions and engage in a comprehensive stakeholder process to ensure India's security in a manner that also does not negatively affect the positive impact that ICT's bring to India's economy.

Sincerely,

Business Software Alliance (BSA)

Coalition of Service Industries (CSI)

Communications and Information Network Association of Japan (CIAJ)

DIGITALEUROPE

Emergency Committee for American Trade (ECAT)

European-American Business Council (EABC)

Global VSAT Forum (GVF)

Information Technology Industry Council (ITI)

Internet and Mobile Association of India (IAMAI)

Internet Service Providers Association of India (ISPAI)

Japan Business Machine and Information System Industries Association (JBMIA)

Japan Electronics and Information Technology Industries Association (JEITA)

Japan Information Technology Services Industry Association (JISA)

Semiconductor Industry Association (SIA)

Software & Information Industry Association (SIIA)

TechAmerica

Telecommunications Industry Association (TIA)

VSAT Services Association of India (VSAI)

U.S. Council for International Business (USCIB)

U.S.-India Business Council (USIBC)

CC: Shri Prithviraj Chavan, Minister of State, Office of the Prime Minister