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Telecommunications – International Trade and US Trade Policy

by Thomas Schnöring, Bad Honnef*

Deregulation of the US telecommunications market – by far the largest in the world, accounting for 40 % of the world market – has led to a rapid increase in imports, so that the United States is now pressing for “reciprocal” changes in other countries’ telecommunications markets. The Telecommunications Trade Act of 1986 threatens countries with retaliatory measures if they fail to shape their telecommunications policies in accordance with the very precise requirements set out in the trade policy objectives. This raises the question of their sovereign powers to determine policy in the telecommunications field.

Many industrialised countries are pinning their hopes of future economic growth on the new information and communication technologies. The data processing, telecommunications and office machines sectors have coalesced to form a broader sector, creating new opportunities for economic growth but also increasing the potential for competition and exerting strong pressure for adjustment on the national and international structure of industry and trade. This amalgamation brings two fundamentally different economic orders face to face. The data processing and office machines industries are unregulated industries with different levels of competition and broadly open world markets. The telecommunications industry, by contrast, is a heavily regulated market displaying features of both monopoly and competition. In the past, competition from imports was virtually excluded in many countries that had their own telecommunications industry (see Table 1). There developed either a true vertical integration between the network operators (or postal, telegraph and telephone administrations (PTTs)) and the equipment suppliers (as in the USA between AT & T and Western Electric) or a “quasi-vertical” integration, as in many European countries. By virtue of their monopsony position, the network operators/PTTs were the dominant customers in the market; at the end of the seventies their procurements accounted for at least two-thirds of the domestic market in all industrial countries.¹ In addition, the PTTs’ policy regarding the approval of customer equipment for which they had no monopoly marketing rights often favoured domestic

suppliers. Market access was therefore severely restricted for foreign competitors, who could generally achieve a worthwhile foothold in the market only by setting up subsidiary companies. This contributed to the formation of multinational corporations such as ITT and LM Ericsson.

World Market Trends

In many countries, the procurement policies of network operators/PTTs and the regulation of the telecommunications sector have encouraged the telecommunications industry to gear itself towards the home market and in some cases have forced it to do so. It was not until 1984 that Western Electric, by far the largest company in the sector with a world market share of between 25 and 30 %, was permitted to export or to establish foreign subsidiaries. Experts estimated that only between 10 and 20 % of the world market were open to competition from imports; this constituted essentially the markets of countries that had no telecommunications industry of their own.

Protectionism is by no means the only reason for this situation; there were and still are considerable advantages to be gained from combining the planning, erection and operation of telecommunications networks on the one hand with the manufacture of switches, transmission apparatus and customer equipment on the other. In recent years, however, the traditional structure of the telecommunications industry and the regulatory arrangements have come under considerable pressure

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¹ OECD: Telecommunications, Pressures and Policies for Change, Paris 1983, p. 131.

as a result of various developments, such as the changeover from analogue to digital systems, increasing R and D expenditure on the development of new systems and the growing demand for a wider range of telecommunications services.² The trend in all industrialised countries is towards allowing greater competition and greater import penetration; as a rule, it is a trend that emerged earlier and has reached a more advanced stage in customer equipment than in switching and transmission equipment. Nevertheless, there are marked differences between the telecommunications policies of the industrialised countries; deregulation and the allowing of competition from imports are undoubtedly furthest advanced in the USA, but considerable changes have already occurred

in the United Kingdom and Japan too. There are signs of change in some continental European countries (such as the Netherlands, the Federal Republic of Germany and France) and other countries already had fairly open markets (Sweden and the Netherlands).

The pattern of world trade can therefore be expected to change radically, especially as regards trade between industrialised countries with their own telecommunications industries. Indeed, countries' shares of the world market have shifted dramatically since the end of the seventies. Measured in terms of the exports of the twelve largest exporting countries, the world market has grown considerably and the countries of the Far East have made considerable gains at the expense of certain European countries and the USA. The market shares of the Netherlands and the Federal Republic of Germany have declined particularly strongly, from 10 % in 1979 to 3 % in 1984 in the case of the Netherlands and from 18 to 10 % in that of the Federal Republic of Germany (see Table 2).

In many respects, developments in the US market provide both the model and the stimulus for changes in other countries, not least because deregulation of the US market has given foreign firms an opening in the market and because groups in the USA are pressing for "reciprocal" changes in the telecommunications sector elsewhere.

Import Penetration in the US Market

The USA, with a share of just under 40 % of the world market, is by far the largest national telecommunications market in the world and has broadly standardised technical specifications. The structure of the market has changed profoundly over the past ten years. Imports, especially those from countries in the Far East such as Japan, Taiwan and South Korea, have risen tremendously and have increased their share of a growing market at the expense of domestic producers. US exports have not kept pace, so that the country's trade balance in the telecommunications sector has deteriorated; since 1984 it has actually been in deficit. This development is in sharp contrast to the widespread notion in the USA that the country enjoys a comparative competitive advantage in this field. Publicly, the situation is blamed partly on the opening of the US market to imports during the moves to split up

Table 1
Imports as a Percentage of the Domestic Consumption of Telecommunications Products in 1975 and 1980

	1975 ^a	1980 ^b
USA	2	4
Federal Republic of Germany	4	17
Japan	1	1
United Kingdom	9	11
France	5	9
Italy	9	19
Canada	17	43
Netherlands	49	57
Sweden	12	45

^a OECD: Telecommunications, Pressures and Policies for Change, Paris 1983, p. 132.

^b US International Trade Commission: Changes in the US Telecommunications Industry and the Impact on US Telecommunications Trade, Washington 1984, p. 43.

Table 2
Structure of the World Market for Telephone and Telegraph Equipment in 1979 and 1984 – Export Growth and Market Shares

	Market share in %		Annual growth in %
	1979	1984	1979/1984
Japan	17.6	26.0	29.5
Sweden	14.6	12.6	16.3
USA	16.6	11.7	11.6
Federal Republic of Germany	18.3	9.9	6.1
Canada	6.6	7.9	29.3
South Korea	0.7	7.7	89.6
France	4.7	6.4	27.7
Taiwan	1.2	5.7	63.9
Netherlands	10.0	3.1	-5.2
Belgium & Luxembourg	4.8	3.0	11.5
Italy	2.0	2.1	21.2
United Kingdom	3.1	2.1	10.5
Total	100	100	19.8

Source: US Department of Commerce: US Industrial Outlook 1986.

² W. Neu, K.-H. Neumann, T. Schnöring: Trade pattern, industry structure and industrial policy in telecommunications, in: Wissenschaftliches Institut für Kommunikationsdienste (ed.): Diskussionsbeiträge zur Telekommunikationsforschung, Nr. 21, Bad Honnef 1986.

AT & T and partly on the protection of markets abroad, to which American companies are denied access. Some analysts cite other factors, such as international differences in wage costs and the consequent relocation of US companies, or US telecommunications firms' inexperience in the export field. Nevertheless, regulation of the telecommunications sector abroad is undoubtedly the main focus of attention.

Accordingly, the USA has begun to use trade policy to bring influence and pressure to bear on other countries in order to ease the restrictions on access to foreign markets for American exports and American companies. Talks and negotiations with a number of European countries and, above all, with Japan are still under way. Four other factors should be borne in mind in assessing these trade policy activities directed towards the telecommunications sector:

- In the USA, as in many other industrialised countries, the hopes of future economic growth are pinned on the telecommunications sector;
- As a result of the lasting trade deficit and marked structural crises in various regions and sectors, there is a strong and politically influential current of opinion in the USA in favour of a protectionist trade policy;
- If possible, American multinational corporations want the telecommunications infrastructure abroad to provide the same facilities for their worldwide internal communications networks as they enjoy in the USA;
- Some manufacturers of customer equipment expect

the joint marketing of apparatus and special value-added services to generate competitive advantages in the future.

The first two points indicate that trade policy in the telecommunications field must be analysed in a wider context, while the last two explain why the subject of value-added services has played an important role in the international talks and negotiations, even though it has no direct relevance to trade policy.

The US Department of Commerce combines the industrial sectors "Radio and television communication equipment" and "Telephone and telegraph equipment" to form the sector "Communications". "Radio and television communication equipment" (Standard Industrial Classification (SIC) 3662) covers products involving wireless and cable information technologies, such as transmission and reception equipment for radio broadcasting, for military purposes and for telecommunications in the narrow sense. Systems for optical data transmission also fall into this category. Electronic entertainment products such as radio and television receivers are excluded. The US Government's demand for communication systems for defence purposes plays a dominant role for this sector; contracts from the Department of Defense alone accounted for 45% of the domestic market in 1985. "Telephone and telegraph equipment" covers telecommunications switching apparatus, sub-exchange equipment and customer equipment (telephones, telex and telefax machines, etc.).

Table 3
Development of the Communications Sector in the USA, 1972-86
– Turnover, Employment and Annual Rates of Growth –

		1972	1982	1983	1984	1985	1986 ^a
Radio and television communication equipment							
Turnover	in \$ billions	9.1	33.0	36.4	39.8	43.5	48.0
	growth rate (%)	–	13.7	10.2	9.3	9.3	10.3
Employment	in thousands	319	464	478	520	573	620
	growth rate (%)	–	3.8	3.0	8.8	10.2	8.1
Telephone and telegraph equipment							
Turnover	in \$ billions	4.5	13.4	13.5	15.2	17.2	19.4
	growth rate (%)	–	11.5	1.0	12.9	12.5	13.2
Employment	in thousands	134	137	128	133	132	130
	growth rate (%)	–	0.2	–6.2	3.9	–0.6	–1.7
Communications							
Turnover	in \$ billions	13.6	46.4	49.9	55.0	60.7	67.4
	growth rate (%)	–	13.0	7.5	10.2	10.4	11.0
Employment	in thousands	453	601	606	653	705	750
	growth rate (%)	–	2.9	0.8	7.8	8.0	6.4

^a Estimates.

Source: US Department of Commerce: US Industrial Outlook 1986.

The communications sector employed around 700,000 workers in the USA in 1985 and had a turnover of \$ 61 billion. "Radio and television communication equipment" accounted for almost 80 % of employment and 64 % of the turnover. Hence the "telephone and telegraph equipment" sector, which is more closely associated with the telecommunications field, is therefore much smaller (see Table 3).

Imports are accounting for a growing share of the US market in telecommunications products. Until the beginning of the eighties the rate of change was fairly steady, although it has quickened in the telephone and telegraph equipment sector since 1980. Imports in that sector rose by 93 % in 1983 and by a further 50 % in 1984; their market share rose from just under 5 % in 1982 to over 10 % in 1985, so that it is now comparable to the average of 11 % for manufacturing industry in the USA. Imports in the radio and television communication equipment sector did not show a comparable expansion, no doubt largely owing to the high proportion of military products, where domestic firms usually have a competitive edge. Here, the market share of imports is still below average, at just under 7 % (see Table 4).

Imports of telephone and telegraph equipment are dominated by Japan and other countries in the Far East. Whereas in 1979 "only" 40 % of US imports came from these countries, in 1984 the figure was already 75 %. Japan is still the largest supplier, with a 52 % share in 1984, but countries such as Taiwan, South Korea and Hong Kong have increased their market shares.

In 1984 the US International Trade Commission completed a study commissioned by the Finance Committee of Congress giving information on the effects of imports on the various parts of the telecommunications sector.³ The report divides the

telecommunications industry into four product groups that differ slightly from those described above ("transmission equipment", "switching equipment", "cable, wire and lightguide" and "customer premises equipment") and chronicles the growth in the share of imports in these segments of the US market between 1979 and 1983. The import share increased in all four categories, but the level of import penetration differs markedly. In "customer premises equipment" it is considerably higher than in network infrastructure equipment. The market share of imported switching equipment barely increased over the period examined.

US manufacturers surveyed for the study were unanimous in their opinion that all but a few US products had competitive advantages in the domestic market, mainly on account of quality, system compatibility and long-established relationships with customers. Only price favoured imports. The study therefore assumed that the share of the market met by imports would rise only slowly from 11 % to 13 % in 1993. Distinctly lower figures are expected for network infrastructure equipment.

A study by the Department of Commerce published in 1985 takes a fundamentally different view of the situation,⁴ stating that considerable changes in the structure of the market, including that in network infrastructure equipment, are to be expected in the next few years. Foreign firms are expected to increase their market share, but the study fails to differentiate sufficiently between the share of the US market met by imports and the share attributable to foreign firms, irrespective of whether they produce in the USA or elsewhere. The reasoning is based on indices and examples of changes in the procurement policy of the Bell Operating Companies. It states that the companies are going over to buying switching equipment from more than two suppliers to expose them to keener competition; examples of this are given. The great efforts of a few foreign firms to penetrate the US market in public switches should also be seen as an indication that access to the market in network infrastructure equipment in the near future is considered possible and profitable. However, considerable investment will be required to make the new switches compatible with the different national network environment in which they must operate.

Table 4
Market Shares of Imports¹ in the
Telecommunications Sector in the USA, 1972-86
(percentages)

	1972	1982	1983	1984	1985	1986 ^a
Radio and television communication equipment	2.9	6.2	5.7	6.7	6.8	6.9
Telephone and telegraph equipment	1.9	4.7	8.7	10.7	10.8	10.4
Communications	2.6	5.8	6.5	8.0	8.0	8.0

¹ Market shares of imports = imports/(output + imports - exports).

^a Estimates.

Source: US Department of Commerce: US Industrial Outlook 1986.

³ United States International Trade Commission: Changes in the US Telecommunications Industry and the Impact on US Telecommunications Trade, Washington 1984.

⁴ United States Department of Commerce: NTIA Special Publication 85-16, Issues in Domestic Telecommunications: Directions for National Policy, Washington 1985.

US exports in the telecommunications sector have not kept pace with the growth in imports. For the sector as a whole, the USA has switched from being a net exporter to being a net importer. The ratio of the trade surplus to the trade volume – a common measure of a country's "revealed comparative advantage" – deteriorated from 0.33 in 1972 to -0.13 in 1985 and an estimated figure of -0.15 in 1986. The situation is far worse in telephone and telegraph equipment than in radio and television communication equipment (see Table 5). According to these figures, the USA is now at a comparative disadvantage as a location for the manufacture of telecommunications equipment, a finding that does not square with the views of politicians and industry representatives about the competitiveness of the industry in the USA. From the standpoint of the USA, the focus of attention therefore shifts to the barriers to market entry erected by other countries, which are incompatible with the principles of fair competition, such as discrimination in the procurement practices of foreign telephone administrations or in the approval of customer equipment. These are perceived as the cause of the deterioration in the trade balance and as a threat to the future prospects of this growth sector in the USA.

Reactions of US Trade Policy

The debate about protectionist measures in the telecommunications sector is part of a wave of protectionist sentiment in the USA affecting all aspects of trade. Over the last year, a plethora of Bills with a strongly protectionist character have been introduced in Congress in view of the enormous trade deficit. As a

result of the Congressional conciliation procedure, these became a House of Representatives Bill – Bill 4800 "To enhance the competitiveness of American industry; and for other purposes" – which was passed by a two-thirds majority in May 1986. The second section of the Bill – the "Telecommunications Trade Act of 1986" – relates to the telecommunications sector and pursues three primary objectives:

"(1) To foster the economic and technological growth of and employment in the United States telecommunications industry and all United States persons who benefit from a high quality telecommunications network;

(2) to ensure that countries which have made commitments to open telecommunications trade fully abide by those commitments; and

(3) to achieve a more open world trading system for telecommunications products and services through negotiation and achievement of fully competitive market opportunities for United States telecommunications exporters and their subsidiaries in those markets in which barriers exist to free international trade."

The President of the United States must attempt to achieve these objectives through bilateral and multilateral negotiations with other countries and by threatening and, if necessary, implementing trade measures such as import restrictions. The Bill lays down a series of primary and secondary negotiating objectives. The primary objectives are:

"(1) The nondiscriminatory procurement of telecommunications products and related services by

Table 5
US Imports and Exports in the Communications Sector, 1972-86
(in millions of US dollars)

	1972	1982	1983	1984	1985	1986 ^a
Radio and television communication equipment						
Imports (Im)	256	2022	2060	2664	3000	3300
Exports (Ex)	609	2402	2534	2768	3000	3200
(Ex - Im)/(Ex + Im)	0.41	0.09	0.01	0.02	-	-0.02
Telephone and telegraph equipment						
Imports (Im)	86	626	1209	1817	1976	2170
Exports (Ex)	77	829	790	777	800	825
(Ex - Im)/(Ex + Im)	-0.06	0.14	-0.20	-0.40	-0.42	-0.45
Communications						
Imports (Im)	342	2648	3269	4481	4976	5470
Exports (Ex)	686	3241	3324	3545	3800	4025
(Ex - Im)/(Ex + Im)	0.33	0.10	0.01	-0.10	-0.13	-0.15

^a Estimates.

Source: US Department of Commerce: US Industrial Outlook 1986; own calculations.

foreign entities that provide local exchange telecommunications services which are owned, regulated or controlled by foreign governments;

(2) assurances that any requirement for the registration of telecommunications products, which are to be located on customer premises, for the purposes of (a) attachment to a telecommunications network in a foreign country, and (b) the marketing of the products in a foreign country, be limited to the certification by the manufacturer that the products meet the standards established by the foreign country for preventing harm to the network or network personnel;

(3) transparency of, and open participation in, the standards-setting processes used in foreign countries with respect to telecommunications products;

(4) the ability to have telecommunications products, which are to be located on customer premises, approved and registered by type and, if appropriate, the establishment of procedures between the United States and foreign countries for mutual recognition of type approvals;

(5) access to the basic telecommunications network in foreign countries on reasonable and nondiscriminatory terms and conditions (including nondiscriminatory prices) for the provision of value-added-services by United States suppliers; and

(6) monitoring and effective dispute settlement provisions regarding matters referred to in paragraphs (1) through (5)."

In addition to these primary negotiating objectives, the Bill contains a number of secondary objectives designed to further improve access to the telecommunications markets of other countries by US companies, such as the establishment of international intellectual property rights.

The situation prevailing in other countries must be analysed and diagnosed before negotiations begin. Within six months of the Bill becoming law, the US Trade Representative must therefore analyse all important foreign markets from these points of view and assess compliance with the objectives. This assessment will form the basis for framing the negotiating objectives

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case by case. The results of the investigations are to be notified to Congress.

On this basis, the President is to enter into negotiations with the foreign country or countries, and the negotiations are to be concluded within 18 months of the Bill becoming law. Only in exceptional circumstances can the negotiating period be extended, with the approval of Congress.

If the President is unable to achieve a satisfactory agreement within the time limit, then he is *obliged* to take measures appropriate to achieving the primary objectives. As far as the secondary objectives are concerned, the President's hands are tied less tightly; here he *may* take appropriate measures. The Act authorises the President to introduce certain measures. Where practicable, these are to affect the telecommunications sector directly and if possible to involve no violation of other international treaties to which the USA is party. If violation of the GATT treaties is unavoidable, the President is empowered to negotiate compensation.

The Bill must be passed by the Senate and signed by the President before it can become law. The President has already announced that he will use his veto, but the two-thirds majority obtained in Congress in May 1986 is large enough to overturn it. Although it is still too early to predict whether the Bill will become law and be implemented, particularly as it has become bound up with the campaign for the Congressional elections to be held in the autumn of 1986, the proposal demonstrates very clearly that powerful sections of American society are attempting to exert strong pressure on the telecommunications policies of other countries, thereby restricting their freedom to shape policy in this field.

Assessment and Conclusions

In recent years the competition from imports in the American telecommunications market has increased sharply and there are many indications that it will grow still further and spread from customer equipment to network infrastructure equipment. Deregulation of the telecommunications sector in the USA has been an important factor in this development, giving foreign competitors access to the market and forcing established American firms to adjust. In the past, regulation largely shielded the US telecommunications market from foreign competition and only after deregulation could international trade flows more faithfully reflect countries' comparative cost advantages. The "emigration" of the manufacture of simple and largely standardised customer equipment

from the USA to the countries of the Far East can hardly be a surprise, given the international relocation of production in the consumer electronics field in recent years.

The trend in the USA clearly shows the considerable pressure there is for an adjustment in the international pattern of production and trade in simple customer equipment, a development that has been curbed up to now by the "quasi-vertical" integration of network operators/PTTs and national telecommunications industries. If the trend towards greater competition in the customer equipment field also takes hold in continental Europe, and there are many signs that it will, competition from the Pacific basin will also force producers this side of the Atlantic to adapt. Such an opening of the markets would be welcome from the consumer's point of view, as it would intensify competition on the supply side, which would presumably have beneficial effects on prices and product ranges.

Deregulation in the USA has also eased market access to the other parts of the telecommunications sector, such as telephone exchanges. However, the economic barriers to market entry are far higher for these products, which are much more complex than simple customer equipment. Even the network operator's inescapable requirement that the new competitor's exchanges be compatible with the existing network entails considerable investment in the adaptation of equipment and makes the attempt to break into the market a risky venture. The long useful life of network components, the high operational requirements and the high information costs of changing from one manufacturer to another justify the network operator's interest in long-term supply commitments and suggest that established suppliers have considerable competitive advantages over new competitors. It is therefore possible that for these reasons the network operator will prefer at least part of the exchange equipment to be manufactured in the home country.

These arguments help explain why competition from imports has been less pronounced in the US market in more complex network components than that in customer equipment, but they also raise the question whether open markets will change the international pattern of the production of such equipment to the same extent as for customer equipment. Several factors support the prediction that international competition will increase between the manufacturers of network components. On the basis of the steep rise in expenditure on research and development for new

generations of exchange equipment alone, experts expect competition to intensify and the number of independent companies to decline. What conclusions can be drawn regarding the international distribution of production and flows of exports and imports? The trend towards the internationalisation of production by the major manufacturers of telecommunications equipment will intensify. It is difficult to predict the effect this will have on the pattern of world trade; this would require more detailed examination.

The growth in US imports in the telecommunications field is undoubtedly the general trend that economic theory would lead one to expect if a largely protected home market is opened up to imports. But what of developments on the export side? Is there truth in the American claim that US exports are not growing because other countries erect trade barriers to deny market access to imports from the USA?

Obviously, this claim cannot be substantiated solely on the basis of export performance. Such a conclusion can be drawn only if it is assumed that the USA has comparative cost advantages as a location for the manufacture of telecommunications products. No conclusive proof that this implied assumption is valid has yet been presented, and in the case of simple customer equipment the opposite is probably true. Even if it is true that the possession of a highly developed home market gives US companies technological advantages over foreign competitors in the field of more complex products, this does not mean that the USA also offers advantages as a manufacturing base for these products. The analysis of market access conditions abroad that would convincingly justify the claim on which the legitimacy of the Telecommunications Trade Act of 1986 rests has not yet been carried out. Only when such analysis has been completed can one ascertain whether and to what extent state regulation in the various countries has been responsible for distorting the structure of world trade.

There are nevertheless good grounds for assuming that regulation of the telecommunications sector in some countries does indeed favour the national industry in the manner implied. The import share of the market varies quite markedly among the countries that have a significant telecommunications industry of their own; its level is, however, generally low (see Table 1). The relatively small market shares of imports in Japan and France accord with the widespread impression of the importance attached to national industrial policy in these two countries. Overall, it can therefore be assumed that in some countries regulation of the telecommunications sector has been and still is

impeding access to the market by foreign competitors and that world trade flows are distorted accordingly.

From the standpoint of economic theory, such distortions always entail a waste of resources. Furthermore, in this instance it must also be doubtful whether the countries that discriminate against imports can achieve the advantages they hope to obtain in the form of a high-quality, low-cost telecommunications system and an internationally competitive information technology industry. Sweden, for example, has not only a very competitive telecommunications industry but also a home market open to competition from abroad and a highly developed network providing telecommunications services at low tariffs. Essentially, the question is whether the telecommunications sector is a suitable arena for national industrial policy and what importance is attached to competition from imports under such a policy.

American trade policy in the telecommunications sector and the Telecommunications Trade Act of 1986 also raise a more important key question, however – the question of countries' sovereign powers to shape policy in the telecommunications field. The Act threatens countries with retaliatory measures if they fail to shape their telecommunications policies in accordance with the very precise requirements set out in the trade policy objectives regarding such matters as the approval criteria to be applied to customer equipment and the facilitation of competition in value-added services. The objectives it lays down go far beyond the demand to end discrimination against foreign competitors and should be seen as an attempt to export the philosophy embodied in American telecommunications policy of recent years. It also reflects the eagerness of American firms to play as large a role as possible in the international telecommunications market, which is changing shape and expanding rapidly.

Achievement of an open world telecommunications market is to be welcomed from the economic point of view, and it is a fact that deregulation in the USA has further opened up the world's largest telecommunications market to foreign competition. There are also signs that the markets of other countries are being made more accessible to foreign competition, a trend that will probably accelerate under the pressure of US trade policy. The aspects of American policy that go beyond the objective of achieving an open world market for telecommunications products and restrict the sovereignty of other countries in this field should be viewed differently, although it will not always be an easy matter to distinguish between discriminatory regulations and sovereign national telecommunications policy.