

EXECUTIVE OFFICE OF THE PRESIDENT  
THE UNITED STATES TRADE REPRESENTATIVE  
WASHINGTON, D.C. 20508

NOV - 2 2012

The Honorable Irving A. Williamson  
Chairman  
U.S. International Trade Commission  
500 E Street, SW  
Washington, D.C. 20436

Dear Chairman:

The U.S. International Trade Commission's (Commission) series of reports on the economic effects of significant U.S. import restraints, prepared as part of Investigation No. 332-325, has been an objective and balanced source of information for the President, the Congress, the trade policy community, and the public. As your reports have shown, the costs imposed on U.S. economic welfare by U.S. import restraints have declined markedly since 1992, even as the volume of U.S. imports has grown substantially.

The United States is one of the world's most open economies. As the Commission begins work on the eighth update of its report, and in light of the high degree of openness of U.S. markets to imports that has already been achieved, I am requesting that the Commission include in its report information on another important development in U.S. trade.

Rapid growth and technological change in services are affecting economic activity throughout the world. These effects may be particularly relevant for the United States, where the services sector accounts for the majority of economic activity and contributes to the growth of other sectors, particularly manufacturing. A thoughtful overview of the contributions of services (both U.S. and global) to U.S. manufacturing that is accessible to a wide audience would be a useful special topic in the report. I am therefore requesting that the Commission provide in this eighth update an overview of the role of services in connection with the manufacturing sector. The Report should describe recent trends in U.S. and global sourcing of services and their contribution to manufacturing output and productivity, and identify sectors that have experienced the greatest changes. Also, to the extent practicable, the Report should include a discussion of services' indirect contribution to merchandise exports. Finally, the Report should provide a review of the available literature on this issue.

Please provide the eighth update of this Report, with the additional information, in November, 2013. As stated in the original 1992 request letter, subsequent updates of the Report should be provided thereafter at intervals of approximately two years. USTR intends to make the Commission's report available to the general public in its entirety. Therefore, the Report should not contain any confidential business or national security classified information.

The Commission's assistance in this matter is greatly appreciated.

Sincerely,

Ambassador Ron Kirk