

THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
Washington, D.C. 20508

MAY 15 1992

The Honorable Donald E. Newquist
Chairman
U.S. International Trade Commission
500 E Street, S.W.
Washington, D.C. 20436

Dear Mr. Chairman,

The Commission's recent series of reports on the economic effects of significant U.S. import restraints (USITC publication 2222, dated October 1989; publication 2314, dated September 1990; and publication 2422, dated September 1991), prepared pursuant to a request from the Senate Committee on Finance dated September 12, 1988, has been an excellent source of objective, balanced information for the entire trade policy community. An understanding and appreciation of the economic implications of restraints imposed on trade are critical to any informed assessment of the trade policy options that confront the President and the Congress.

We would find it useful to have periodic updates of the types of assessments that the Commission has provided in its reports for the Finance Committee. Therefore, under authority delegated by the President and pursuant to section 332(g) of the Tariff Act of 1930, as amended, I request that the Commission periodically provide an updated assessment of the economic effects of significant U.S. import restraints. Each updating report should include quantitative assessments of the restraints' effects on U.S. consumers, on the activities of U.S. firms, on the income and employment of U.S. workers, and on the net economic welfare of the United States. The reports also should continue the broad analytical frameworks used in the original reports, namely partial equilibrium frameworks for the analysis of liberalization in individual sectors and a general equilibrium framework for assessment of the economy-wide effects of the simultaneous liberalization of all sectors covered.

With the exceptions noted below, the reports should consider the effects of all significant restraints on U.S. imports of goods and services whether they result from an act of Congress, an action taken under the fair trade laws of the United States (such as section 201 investigations), an international agreement, or voluntary export restraints by foreign nations. The reports should not include import restraints resulting from final

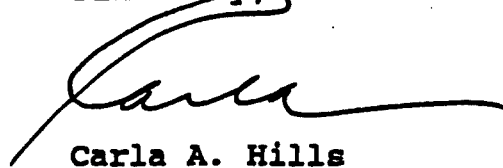
antidumping or countervailing duty investigations, section 337 or 406 investigations, or section 301 actions.

I would appreciate receiving the first updating report 18 months after receipt of this request. Subsequent reports should be provided thereafter at intervals of approximately two years until otherwise instructed.

In view of the outstanding instruction to the Commission on the security classification of reports prepared by the Commission at the request of the U.S. Trade Representative, I request that all reports on this investigation be made available to the public at the same time they are submitted to my office.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Carla', with a long horizontal flourish extending to the right.

Carla A. Hills