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

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JAN 29 2013

The Honorable Irving A. Williamson
Chairman
U.S. International Trade Commission
500 E Street, S.W.
Washington, DC 20436

Dear Chairman Williamson:

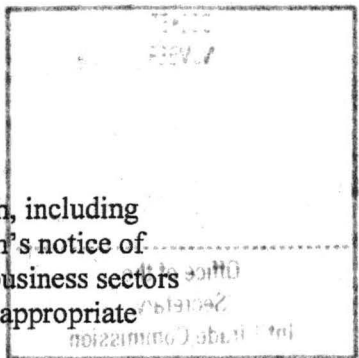
One of the primary goals of the President's National Export Initiative is to increase export opportunities for America's small and medium-sized enterprises (SMEs), and expand exports from SMEs. In line with this initiative, the United States and Korea established a Working Group on SMEs under the United States-Korea Free Trade Agreement (KORUS). As indicated in the October 30, 2011 exchange of letters establishing the Working Group, two of its most important tasks are to (1) analyze and evaluate the impact of the implementation of the KORUS on production, distribution, and trade by SMEs, and (2) explore and develop ways for SMEs to take greater advantage of the economic opportunities created by the KORUS. Within one year of the Working Group's first meeting on June 5, 2012, the Working Group will present the outcome of its work to the KORUS's minister-level Joint Committee.

The KORUS SME Working Group convened two meetings in 2012, and the Working Group views it as useful for both Parties to conduct additional research to ascertain what information is available on the impact of the KORUS thus far on SMEs. The Government of Korea has commissioned a study aimed at investigating the impact of KORUS on exports of Korean SMEs to the United States. I believe that for the Working Group to be able to present effective recommendations to the Joint Committee with respect to possible ways to help U.S. SMEs take advantage of the new opportunities KORUS has created, the United States should also conduct a similar investigation, recognizing the constraints posed by the data at hand due to the short time period in which the KORUS has been in effect.

Therefore, pursuant to authority delegated by the President to the United States Trade Representative (USTR) under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)), I request that the Commission conduct an investigation and prepare a report containing information that will assist the Working Group in better understanding the impact of the KORUS on U.S. SMEs since its entry into force on March 15, 2012.

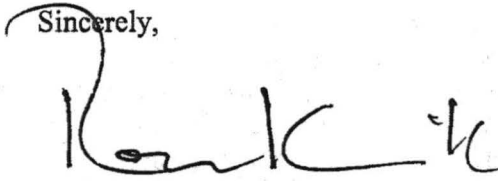
I request that the Commission, to the extent practicable, provide a report discussing the effects of the KORUS on the production, distribution, and export strategy of U.S. SMEs, as identified by those SMEs, and describing how U.S. SMEs have benefited from specific provisions of the KORUS, as well as challenges that U.S. SMEs may have faced in exporting to Korea. Such provisions may include but are not limited to those related to trade in goods and services or to

intellectual property issues. The report should be based on available information, including information furnished by SMEs and interested parties following the Commission's notice of investigation. The U.S. SME sectors examined may include some or all of the business sectors listed in the three prior Commission reports on SMEs released in 2010, or other appropriate business sectors for which information is available.



I request that the report be delivered by May 1, 2013. As we intend to make the Commission's report available to the public, the report should not include confidential business or national security classified information.

I appreciate the Commission's assistance and cooperation in this matter.

Sincerely,

Ambassador Ron Kirk