

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 332-531

Digital Trade in the U.S. and Global Economies, Part I

Institution of investigation and scheduling of hearing

AGENCY: United States International Trade Commission.

ACTION: Institution of investigation and scheduling of public hearing.

SUMMARY: Following receipt of a request dated December 13, 2012 (received on December 14, 2012) from the Senate Committee on Finance, (Committee) under section 332(g) of the Tariff Act of 1930 (19 U.S.C. §1332(g)), the U.S. International Trade Commission (Commission) instituted investigation No. 332-531, Digital Trade in the U.S. and Global Economies, Part I, for the purpose of preparing the first of two reports requested by the Committee.

DATES:

February 21, 2013: Deadline for filing requests to appear at the public hearing.

February 26, 2013: Deadline for filing pre-hearing briefs and statements.

March 7, 2013: Public hearing.

March 14, 2013: Deadline for filing post-hearing briefs and statements.

March 14, 2013: Deadline for filing all other written submissions.

July 14, 2013: Transmittal of Commission report to the Committee.

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street SW, Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov/edis3-internal/app>.

FOR FURTHER INFORMATION CONTACT: Project Leader Matthew Reisman (202-205-2163 or matthew.reisman@usitc.gov) or Deputy Project Leader Martha Lawless (202-205-3497 or martha.lawless@usitc.gov) for information specific to this investigation. For information on the legal aspects of these investigations, contact William Gearhart of the Commission's Office of the General Counsel (202-205-3091 or william.gearhart@usitc.gov). The media should contact Margaret O'Laughlin, Office of External Relations (202-205-1819 or margaret.olaughlin@usitc.gov). Hearing-impaired individuals may obtain information on this matter by contacting the Commission's TDD terminal at 202-205-1810. General information concerning the Commission may also be obtained by accessing its website (<http://www.usitc.gov>). Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

BACKGROUND: As requested, the Commission will deliver two reports to the Committee. The first report, Digital Trade in the U.S and Global Economies, Part I, will:

- describe U.S. digital trade in the context of the broader economy;
- examine U.S. and global digital trade, the relationship to other cross-border transactions (e.g., foreign direct investment), and the extent to which digital trade facilitates and enables trade in other sectors;
- describe notable barriers and impediments to digital trade; and

- outline potential approaches for assessing the linkages and contributions of digital trade to the U.S. economy, noting any challenges associated with data gaps and limitations. Such contributions and linkages may include effects on consumer welfare, output, productivity, innovation, business practices, and job creation.

For the purposes of the report, the Commission is defining “digital trade” to encompass commerce in products and services delivered over digital networks. Examples include software, digital media files (e.g., e-books and digital audio files), and services such as data processing and hosting. The report will also examine how other industries, such as financial services and retailing, make use of digital products and services for production and trade.

The Commission will institute a second investigation at a later date for the purpose of preparing the second report. As requested by the Committee, the second report will build on the first report to:

- estimate the value of U.S. digital trade and the potential growth of this trade;
- examine the broader linkages and contributions of digital trade to the U.S. economy;
- present case studies that examine the importance of digital trade to selected U.S. industries that use or produce such goods and services; and
- examine the effect of notable barriers and impediments to digital trade on selected industries and the broader U.S. economy.

The second report will be delivered to the Committee within 19 months. More information regarding the second report will be made available when the second investigation is instituted.

PUBLIC HEARING: A public hearing in connection with these investigations will be held at the U.S. International Trade Commission Building, 500 E Street, SW, Washington, DC, beginning at 9:30 AM on March 7, 2013. Requests to appear at the public hearing should be filed with the Secretary, no later than 5:15 p.m., February 21, 2013, in accordance with the requirements in the “Submissions” section below. All pre-hearing briefs and statements should be filed not later than 5:15 p.m., February 26, 2013; and all post-hearing briefs and statements should be filed not later than 5:15 p.m., March 14, 2013. In the event that, as of the close of business on February 21, 2013, no witnesses are scheduled to appear at the hearing, the hearing will be canceled. Any person interested in attending the hearing as an observer or nonparticipant should contact the Office of the Secretary at 202-205-2000 after February 21, 2013, for information concerning whether the hearing will be held.

WRITTEN SUBMISSIONS: In lieu of or in addition to participating in the hearing, interested parties are invited to file written submissions concerning this investigation. All written submissions should be addressed to the Secretary, and should be received not later than 5:15 p.m., March 14, 2013. All written submissions must conform with the provisions of section 201.8 of the *Commission’s Rules of Practice and Procedure* (19 C.F.R. 201.8). Section 201.8 and the Commission’s Handbook on Filing Procedures require that interested parties file documents electronically on or before the filing deadline and submit eight (8) true paper copies by 12:00 p.m. eastern time on the next business day. In the event that confidential treatment of a document is requested, interested parties must file, at the same time as the eight paper copies, at least four (4) additional true paper copies in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). Persons with questions regarding electronic filing should contact the Secretary (202-205-2000).

Any submissions that contain confidential business information (CBI) must also conform with the requirements of section 201.6 of the *Commission's Rules of Practice and Procedure* (19 C.F.R. 201.6). Section 201.6 of the rules requires that the cover of the document and the individual pages be clearly marked as to whether they are the "confidential" or "non-confidential" version, and that the confidential business information be clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available for inspection by interested parties.

In its request letter, the Committee stated that it intends to make the Commission's reports available to the public in their entirety, and asked that the Commission not include any confidential business information or national security classified information in the reports that the Commission sends to the Committee. Any confidential business information received by the Commission in this investigation and used in preparing this report will not be published in a manner that would reveal the operations of the firm supplying the information.

By order of the Commission.

A handwritten signature in black ink, appearing to read 'Lisa R. Barton', with a large, stylized flourish at the end.

Lisa R. Barton
Acting Secretary to the Commission

Issued: January 8, 2013