

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

(Investigation. No. TA-2104-5)

U.S.-Chile Free Trade Agreement: Potential Economywide and Selected Sectoral Effects

AGENCY: United States Trade Commission

ACTION: Institution of investigation

SUMMARY: Following receipt of a request on January 21, 2003, from the United States Trade Representative (USTR), the Commission instituted investigation No. TA-2104-5, *U.S.-Chile Free Trade Agreement: Potential Economywide and Selected Sectoral Effects*, under section 2104(f) of the Trade Act of 2002 (19 U.S.C. 3804(f)).

BACKGROUND: As requested by the USTR, the Commission will prepare a report as specified in section 2104(f)(2)-(3) of the Trade Act of 2002 assessing the likely impact of the U.S.-Chile FTA on the United States economy as a whole and on specific industry sectors and the interests of U.S. consumers. The report will assess the likely impact of the agreement on the United States economy as a whole and on specific industry sectors, including the impact the agreement will have on the gross domestic product, exports and imports, aggregate employment and employment opportunities, the production, employment, and competitive position of industries likely to be significantly affected by the agreement and the interests of United States consumers.

In preparing its assessment, the Commission will review available economic assessments regarding the agreement, including literature regarding any substantially equivalent proposed agreement, and will provide in its assessment a description of the analyses used and conclusions drawn in such literature, and a discussion of areas of consensus and divergence between the various analyses and conclusions, including those of the Commission regarding the agreement.

Section 2104(f)(2) requires that the Commission submit its report to the President and the Congress not later than 90 days after the President enters into the agreement, which he can do 90 days after he notifies the Congress of his intent to do so. The President notified the Congress on January 30, 2003, of his intent to enter into an FTA with Chile.

The ITC has begun its assessment, and it will seek public input for the investigation when a public version of the agreement is made available by the U.S. Trade Representative. The ITC will issue a follow-up *Federal Register* notice and media advisory when it schedules this portion of its investigation.

FOR FURTHER INFORMATION CONTACT: Information may be obtained from James Stamps, Project Leader, Office of Economics (202-205-3227). For information on the legal aspects of this investigation, contact William Gearhart of the Office of the General Counsel (202-205-3091). For media information, contact Peg O'Laughlin (202-205-1819). Hearing impaired individuals are advised that information on this matter can be obtained by contacting the TDD terminal on (202-205-1810).

LIST OF SUBJECTS: Chile, tariffs, trade, imports and exports.

By order of the Commission.

Marilyn R. Abbott
Secretary

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