

E-ALERT | International Trade Controls

August 9, 2012

ITC INVITES PUBLIC COMMENTS ON PROPOSED EXPANSION OF THE INFORMATION TECHNOLOGY AGREEMENT

On August 8 at the request of USTR, the U.S. International Trade Commission launched two investigations into the proposed expansion of the Information Technology Agreement (“ITA”).

Originally concluded in 1996, the ITA covers over 180 high-tech products such as semiconductors, computers, and telecommunications equipment. The Agreement has been ratified by 75 members of the WTO, including the EU members states, Japan, Korea, China, and the United States. The signatories collectively account for more than 97 percent of total world trade in information technology and communications (“ICT”) products. Participants agree to eliminate duties on ICT products covered by the Agreement.

In late July, an ITA working group circulated [a consolidated list](#) of proposed additions to ITA, consisting of more than 350 tariff lines.

The consolidated list contains a wide range of products, including printing ink, computer fans, multifunctional (printers/photocopiers/fax) machines, laser machine tools, machines for making printed circuits, wafers, integrated circuits and flat panel displays, various types of batteries, base stations, smart cards, monitors, TV cameras, optical fibers, and communications satellites.

As requested, the ITC will provide the USTR with two reports concerning the products on the consolidated ITA list. The first report (Inv. No. 332-532) will provide information concerning both ICT and non-ICT uses of listed products. It will also identify products that U.S. industry and other interested parties view as import sensitive.

The ITC is seeking written submissions from the public, concerning product uses and import sensitivity. Those submissions must be received no later than September 6. The ITC expects to provide a consolidated report to USTR by October 24.

For each product, the second report (Inv. No. 332-536) will identify (i) the major producing countries; (ii) leading U.S. export markets; (iii) leading sources of U.S. imports; and (iv) tariffs applied to these products in major markets. The report will also include an overview of key subsectors and, to the extent practicable, examine the benefits to U.S. industry of ITA expansion.

The ITC will hold a public hearing in connection with the second report at 9:30 a.m. on November 8. Requests to appear at the hearing should be filed no later than October 31. In addition to (or in lieu of) public testimony, interested parties may submit written comments on these issues. Those submissions must be received by no later than November 20. The ITC expects to deliver the second report to USTR by February 15, 2013.

Covington & Burling regularly assists clients in ITC fact-gathering investigations. If you have any questions concerning the material discussed in this client alert, please contact the following members of our international practice group:

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