

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

FEB 08 2008

The Honorable Daniel R. Pearson  
Chairman  
U.S. International Trade Commission  
500 E Street, SW  
Washington, DC 20436

Dear Chairman Pearson:

Chapter Four and Annex 4.1 of the United States-Chile Free Trade Agreement (USCFTA) set out rules of origin for applying the tariff provisions of the USCFTA. Our negotiators recently reached agreement in principle with representatives of the government of Chile on the proposed modifications to Annex 4.1 contained in the attached document.

Section 202(o) of the U.S.-Chile Free Trade Agreement Implementation Act ("the Act") authorizes the President, subject to the consultation and layover requirements of section 103 of the Act, to proclaim modifications to the USCFTA rules of origin. One of the requirements set out in section 103 is that the President obtain advice from the United States International Trade Commission ("the Commission") regarding the proposed action.

Under authority delegated by the President, and pursuant to section 103 of the Act, I request that the Commission provide advice on the probable economic effect of the modifications reflected in the enclosed proposals on U.S. trade under the USCFTA and on domestic industries. Please note that Annex I to Presidential Proclamation 8214 of December 27, 2007, modified some of the rules of origin in the USCFTA to reflect changes to the Harmonized System. These rules took effect on February 1, 2008. Where applicable, the attached document includes both the original rules of origin in the USCFTA, as well as the revised rules that took effect as of February 1.

I request that the Commission provide this advice at the earliest possible date, but not later than October 31, 2008. The Commission should issue, as soon as possible thereafter, a public version of its report with any business confidential information deleted.

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

Sincerely,



Susan C. Schwab

Enclosure