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

May 18, 2017

The Honorable Rhonda K. Schmidtlein Chairman U.S. International Trade Commission 500 E Street, S.W. Washington, D.C. 20436

Dear Chairman Schmidtlein:

On May 18, 2017, I informed Congress of the President's intention to commence negotiations related to the North American Free Trade Agreement. Accordingly, under authority delegated by the President and pursuant to section 131 of the Trade Act of 1974, I request that the U.S. International Trade Commission (Commission) provide a report containing its advice as to the probable economic effect of providing duty-free treatment for imports of currently dutiable products from Canada and Mexico on (i) industries in the United States producing like or directly competitive products, and (ii) consumers. This analysis should consider each article in chapters 1 through 97 of the Harmonized Tariff Schedule of the United States (HTS) for which U.S. tariffs will remain, taking into account implementation of U.S. commitments in the World Trade Organization. The advice should be based on the HTSUS in effect during 2017 and trade data for 2016.

In addition, I request that the Commission prepare an assessment, as described in section 105(a)(2)(B)(i)(III) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015, of the probable economic effects of eliminating tariffs on imports from Canada and Mexico of any agricultural products currently still subject to U.S. tariffs under the North American Free Trade Agreement and described in the list attached to this letter on (i) industries in the United States producing the products concerned and (ii) the U.S. economy as a whole.

I request that the Commission provide its report containing such advice and assessment as soon as possible, but in any event no later than August 16, 2017.

In accordance with the policy of the Office of the United States Trade Representative (USTR) on implementing Executive Order 13526, as amended, entitled "Classified National Security Information" and published January 5, 2010, I direct you to mark or identify as "confidential," for a period of ten years, such portions of the Commission's report and its working papers as relate to the advice and assessment of probable economic effects. Consistent with the Executive Order, this information is being classified on the basis that it contains economic matter relating to the national security. USTR also considers the Commission's report to be an inter-agency memorandum that will contain pre-decisional advice and be subject to the deliberative process privilege. I also request that you submit an outline of this report as soon as possible to enable USTR to provide you with further guidance on its classification, including the extent to which portions of the report will require classification and for how long. Based on this

outline, an appropriate USTR official with original classification authority will provide you with written instructions. The Commission's assistance in this matter, and its continuing cooperation and support for our negotiating efforts, are greatly appreciated.

Sincerely,

Ambassador Robert E. Lighthizer United States Trade Representative