

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC

Investigation No. 332-562 and Investigation No. 332-563

Global Digital Trade 2: The Business-to-Business Market, Key Foreign Trade Restrictions, and U.S. Competitiveness; and Global Digital Trade 3: The Business-to-Consumer Market, Key Foreign Trade Restrictions, and U.S. Competitiveness

Institution of Investigations

AGENCY: United States International Trade Commission.

ACTION: Institution of two additional investigations.

SUMMARY: In response to the request from the U.S. Trade Representative (USTR) dated January 13, 2017 under section 332(g) of the Tariff Act of 1930 (19 U.S.C. §1332(g)), the U.S. International Trade Commission has instituted the second and third of three investigations on global digital trade: investigation No. 332-562, *Global Digital Trade 2: The Business-to-Business Market, Key Foreign Trade Restrictions, and U.S. Competitiveness*; and investigation No. 332-563, *Global Digital Trade 3: The Business-to-Consumer Market, Key Foreign Trade Restrictions, and U.S. Competitiveness*. The Commission will schedule a public hearing and provide opportunity for the public to file written submissions in connection with both investigations, with dates and procedures relating to both announced in a later notice.

DATES:

October 29, 2018: Expected transmittal of the *Global Digital Trade 2* report to the USTR.

March 29, 2019: Expected transmittal of the *Global Digital Trade 3* report to the USTR.

FOR FURTHER INFORMATION CONTACT: For information relating to *Global Digital Trade 2*, contact co-Project Leaders Dan Kim (202-205-3234 or dan.kim@usitc.gov) and Alissa Tafti (202-205-3244 or alissa.tafti@usitc.gov); and for information relating to *Global Digital Trade 3*, contact Project Leader Ricky Ubee (202-205-3493 or ravinder.ubee@usitc.gov) or Deputy Project Leader Christopher Robinson (202-205-2602 or christopher.robinson@usitc.gov). 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 (<https://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 202-205-2002.

BACKGROUND: As indicated above, in his letter on January 13, 2017, the USTR requested that the Commission conduct three investigations and prepare three reports relating to global digital trade. The Commission instituted the first of these investigations, *Global Digital Trade 1: Market Opportunities and Key Foreign Trade Restrictions*, on February 6, 2017 and published notice of the investigation in the

Federal Register on February 10, 2017 (82 FR 10397). The Commission held a public hearing in the first investigation on April 4, 2017, and is to transmit its report in that investigation to the USTR by August 29, 2017. For more information about the first investigation, including deadlines for filing briefs, statements, and other written submissions in that investigation, see the Commission's notice published in the *Federal Register* and posted on the Commission's website at <http://www.usitc.gov>.

The Commission is now announcing the institution of the second and third investigations in this series. As requested by the USTR, the Commission's report on the second investigation, titled *Global Digital Trade 2: The Business-to-Business Market, Key Foreign Trade Restrictions, and U.S. Competitiveness*, will build on the first report to:

- Provide qualitative, and to the extent possible, quantitative analysis of measures in key foreign markets (identified in the first report) that affect the ability of U.S. firms to develop and/or supply business-to-business digital products and services abroad; and
- Assess, using case studies or other qualitative and quantitative methods, the impact of these measures on the competitiveness of U.S. firms engaged in the sale of digital products and services, as well as on international trade and investment flows associated with digital products and services related to significant business-to-business technologies.

The Commission expects to deliver this second report to the USTR by October 29, 2018.

As requested by the USTR, the Commission's report on the third investigation, titled *Global Digital Trade 3: The Business-to-Consumer Market, Key Foreign Trade Restrictions, and U.S. Competitiveness*, will build on the first and second reports to:

- Provide qualitative, and to the extent possible, quantitative analysis of measures in key foreign markets (identified in the first report) that affect the ability of U.S. firms to develop and/or supply business-to-consumer digital products and services abroad; and
- Assess, using case studies or other qualitative and quantitative methods, the impact of these measures on the competitiveness of U.S. firms engaged in the sale of digital products and services, as well as on international trade and investment flows associated with digital products and services related to significant business-to-consumer technologies.

The Commission expects to deliver this third report to the USTR by March 29, 2019.

PUBLIC HEARING, WRITTEN SUBMISSIONS: The Commission expects to hold a public hearing in the spring of 2018 in connection with the second and third investigations. The Commission will announce the time and place in a later notice.

The Commission will also provide opportunity for interested members of the public to file written submissions in connection with the second and third investigations. The Commission will announce the time and procedures relating to the filing of those written submissions in a later notice. The Commission will also identify in that notice any particular issues or subject areas that it would like members of the public to address in their written submissions or in hearing testimony.

PORTIONS OF THE SECOND AND THIRD REPORTS TO BE CLASSIFIED AS NATIONAL SECURITY INFORMATION AND BE SUBJECT TO THE DELIBERATIVE PROCESS PRIVILEGE: In his letter requesting the investigations, the USTR indicated that portions of the Commission's second and third reports containing the Commission's analysis of the impact of foreign barriers to digital trade on (1) U.S. imports and exports of digital products and services and (2) the competitiveness of U.S. companies will be classified on the basis that those portions concern economic matters relating to national security that impact USTR negotiation and enforcement priorities. USTR also indicated that it intends to treat the Commission's second and third reports as interagency memoranda containing predecisional advice subject to the deliberative process privilege.

In his request letter, the USTR indicated that his office intends to make the Commission's first report in this series available to the public in its entirety.

By order of the Commission.

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

Lisa R. Barton
Secretary to the Commission

Issued: May 2, 2017