

THE PRESIDENT'S EXPORT COUNCIL

WASHINGTON, D.C. 20230

September 19, 2013

President of the United States of America
The White House
Washington, DC 20500

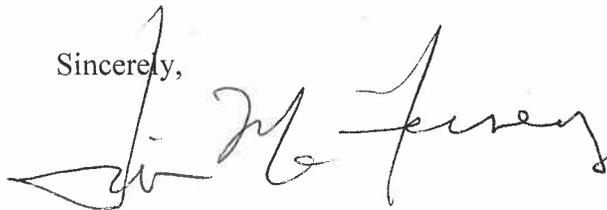
Dear Mr. President,

In November of 2011, this Council strongly recommended that your Administration prioritize expanding both the geographic scope and product coverage of the Information Technology Agreement (ITA), one of the world's most successful multilateral trade agreements. We noted that this important agreement increased total ITA product trade more than ten percent annually from 1996 until 2008, from \$1.2 trillion to \$4.0 trillion, and that industry studies indicated that an expanded ITA could remove tariffs on an additional \$800 billion in global information and communications technology (ICT) trade.

Since the Council made this recommendation, your Administration, led by the team at the Office of the U.S. Trade Representative, has done remarkable work to advance an expanded ITA at the World Trade Organization (WTO) in a short period of time. Over fifty countries accounting for more than ninety percent of global ICT trade have reached near consensus, and it seemed likely that an agreement could be completed in July. We were therefore disappointed at China's unexpected request to exclude more than one-third of the products under consideration for expansion, which forced ITA Members to suspend negotiations on this important agreement after so much progress had been made. This disproportionately large list of sensitivities presented by China was more than twice as long as that of any other country participating in the negotiations, and it has emerged as the primary obstacle to concluding an ambitious ITA expansion agreement this year.

We support your Administration's reluctant conclusion that there is no alternative to maintaining the suspension of negotiations until China revises its position and produces an improved sensitivities list. The ITA has not been expanded since 1997, when the agreement originally entered into force. Given the pace at which the ICT industry grows and changes, an ambitious and comprehensive agreement is necessary for the U.S. to experience the anticipated benefits. We urge you to continue your ongoing efforts to work with all countries involved in the negotiations to reach an ambitious and meaningful conclusion in advance of the 9th WTO Ministerial Conference.¹

Sincerely,

A handwritten signature in black ink, appearing to read "Jim McNerney". The signature is fluid and cursive, with a large initial "J" and "M".

Jim McNerney

¹ Please note this letter was prepared by the private sector appointed members of the PEC.