

**UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.**

Investigation No. 332-478

U.S.-China Trade: Implications of U.S.-Asia-Pacific Trade and Investment Trends

AGENCY: United States International Trade Commission.

ACTION: Institution of investigation and scheduling of hearing.

EFFECTIVE DATE: November 1, 2006.

SUMMARY: Following receipt of a request letter on October 2, 2006, from the Committee on Ways and Means of the U.S. House of Representatives (Committee) under section 332(g) of the Tariff Act of 1930 (19 U.S.C. (332(g))), the U.S. International Trade Commission (Commission) instituted investigation No. 332-478, *U.S.-China Trade: Implications of U.S.-Asia-Pacific Trade and Investment Trends*.

BACKGROUND: In its October 2, 2006 letter, the Committee requested that the Commission prepare three reports with respect to U.S.-China trade, with the first report to be delivered 12 months after receipt of the letter and the second and third reports, 18 and 24 months after receipt of the letter, respectively. This notice announces institution of the first of three investigations for the purpose of preparing the requested reports. The Commission will issue separate notices relating to the second and third reports at a later date (see below).

As requested by the Committee, in its first report the Commission will analyze the principal trends and patterns in trade and foreign direct investment (FDI) between Asia-Pacific countries and the United States and their implications for the U.S.-China trade relationship. The report will include: (1) a discussion of the main factors influencing these trends; (2) an in-depth examination of the industries that have had a major effect on trade and investment patterns in recent years; and (3), if required, formal quantitative analyses that may help explain these trends and provide an assessment of the reliability of the data used in each analysis. The report will also review the relationship between international trade and FDI, the trade and investment policies in the major countries of the region, and their effect on economic activity both on a global scale and within the Asian and Pacific region. The Commission will provide its first report to the Committee by October 2, 2007.

The Committee also directed that the Commission provide two other reports on U.S.-China trade. For the second report, the Committee asked the Commission to investigate the driving factors behind the rapid growth in U.S.-China trade. The Commission expects to initiate the investigation relating to this report in April 2007 and to provide its report to the Committee by April 2, 2008.

For the third report, the Committee asked the Commission to provide an in-depth examination of China's integration with the global economy through processing trade and FDI, and its implications for U.S.-China trade and investment. The Commission expects to initiate the investigation relating to this report in October 2007 and to provide its report to the Committee by October 2, 2008.

FOR FURTHER INFORMATION CONTACT: Project leaders Nannette Christ (202-205-3263 or nannette.christ@usitc.gov) or Dennis Fravel (202-205-3404 or dennis.fravel@usitc.gov) for information specific to this investigation (the first report). 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.olaghlin@usitc.gov).

PUBLIC HEARING: A public hearing in connection with this first investigation and report will be held at the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC beginning at 9:30 a.m. on March 8, 2007. Requests to appear at the public hearing should be filed with the Secretary, no later than 5:15 p.m., February 22, 2007, in accordance with the requirements in the "Submissions" section below.

WRITTEN SUBMISSIONS: In lieu of or in addition to participating in the hearing, interested parties are invited to submit written statements or briefs concerning this investigation. All written submissions, including requests to appear at the hearing, statements, and briefs, should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436. Any pre-hearing briefs or statements should be filed not later than 5:15 p.m., February 22, 2007; the deadline for filing post-hearing briefs or statements is 5:15 p.m., March 22, 2007. All written submissions must conform with the provisions of section 201.8 of the Commission's *Rules of Practice and Procedure* (19 C.F.R. 201.8). Section 201.8 requires that a signed original (or a copy so designated) and fourteen (14) copies of each document be filed. In the event that confidential treatment of a document is requested, at least four (4) additional copies must be filed, in which the confidential information must be deleted (see the following paragraph for further information regarding confidential business information). The Commission's rules do not authorize filing submissions with the Secretary by facsimile or electronic means, except to the extent permitted by rule section 201.8 (19 C.F.R. 201.8) (see Handbook for Electronic Filing Procedures, ftp://ftp.usitc.gov/pub/reports/electronic_filing_handbook.pdf). Persons with questions regarding electronic filing should contact the Secretary (202-205-2000 or edis@usitc.gov).

Any submissions that contain confidential business information must also conform with the requirements of section 201.6 of the *Commission's Rules of Practice and Procedure* (19 C.F.R. 201.6). Section 201.6 of the rules require that the cover of the document and the individual pages be clearly marked as to whether they are the "confidential" or "non-confidential" version, and that the confidential business information be clearly identified by means of brackets. All written submissions, except for confidential business information, will be made available for inspection by interested parties.

In its request letter, the Committee stated that it intends to make the Commission's report available to the public in its entirety, and asked that the Commission not include any confidential business information or national security classified information in the reports that the Commission sends to the Committee. Any confidential business information received by the Commission in this investigation and used in preparing this report will not be published in a manner that would reveal the operations of the firm supplying the information.

General information concerning the Commission may also be obtained at <http://www.usitc.gov>. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://www.usitc.gov/secretary/edis.htm>. Hearing-impaired individuals are advised that information on this matter can be obtained by contacting our TDD terminal on (202) 205-1810. Persons with mobility impairments who will need special assistance in gaining access to the Commission should contact the Office of the Secretary at 202-205-2000.

By order of the Commission.

/s/
Marilyn R. Abbott
Secretary to the Commission

Issued: November 2, 2006