

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Inv. No. 332-509

Small and Medium-Sized Enterprises: U.S. and EU Export Activities, and Barriers and Opportunities Experienced by U.S. Firms

AGENCY: United States International Trade Commission.

ACTION: Institution of investigation and scheduling of hearing.

SUMMARY: Following receipt of a request on October 6, 2009, from the United States Trade Representative (USTR) under section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)), the Commission instituted investigation No. 332-509, *Small and Medium-Sized Enterprises: U.S. and EU Export Activities, and Barriers and Opportunities Experienced by U.S. Firms*, for the purpose of preparing the second in a series of three reports requested by the USTR relating to small and medium-sized enterprises.

DATES:

January 26, 2010: Deadline for filing requests to appear at the public hearing.

January 28, 2010: Deadline for filing pre-hearing briefs and statements.

February 9, 2010: Public hearing (Washington, DC).

February 23, 2010: Deadline for filing post-hearing briefs and statements.

March 26, 2010: Deadline for filing written submissions.

July 6, 2010: Transmittal of Commission report to the USTR.

ADDRESSES: All Commission offices, including the Commission's hearing rooms, are located in the United States International Trade Commission Building, 500 E Street SW, Washington, DC. All written submissions should be addressed to the Secretary, United States International Trade Commission, 500 E Street SW, Washington, DC 20436. The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <http://www.usitc.gov/secretary/edis.htm>.

FOR FURTHER INFORMATION CONTACT: Project Leaders Laura Bloodgood (202-708-4726 or laura.bloodgood@usitc.gov) or Justino De La Cruz (202-205-3252 or justino.delacruz@usitc.gov) for information specific to this investigation. For information on the legal aspects of this investigation, 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 Internet server (<http://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 202-205-2000.

BACKGROUND: In his letter the USTR requested that the Commission provide three reports during the next 12 months relating to small and medium-sized enterprises (SMEs). In this notice the Commission is instituting the second of three investigations under section 332(g) for the purpose of preparing the second report, which is to be transmitted to the USTR by July 6, 2010. The Commission published notice of institution of the first investigation, investigation No. 332-508, in the *Federal Register* of October 28, 2009 (74 F.R. 55581).

As requested, in the second report (investigation No. 332-509) the Commission will:

- (1) Assist in analyzing the performance of U.S. SME firms in exporting compared to SMEs exporting in other leading economies. As one way of comparing the performance of U.S. SMEs to those in other countries, the Commission will compare the exporting activity of SMEs in the United States and the European Union (EU), and analyze the distinctions between U.S. and EU firms in terms of sectoral composition, firm characteristics, and exporting behavior.
- (2) Identify barriers to exporting noted by U.S. SMEs and strategies used by SMEs to overcome special constraints and reduce trade costs.
- (3) Identify the benefits to SMEs from increased export opportunities, including free trade agreements and other trading arrangements.

To best aid the Commission in gathering information for the report, the Commission is seeking information in response to the following questions:

- What are the most significant constraints that U.S. SMEs face in their efforts to export?
- If SMEs have been successful in overcoming those constraints, what strategies have they adopted?
- What particular benefits do SMEs believe they have received from increased export opportunities including those from free trade agreements and other trading arrangements; which trade agreements or other arrangements have been most beneficial?

The USTR requested that the Commission deliver the second report by July 6, 2010.

The Commission shortly expects to institute a third investigation, investigation No. 332-510, *Small and Medium-Sized Enterprises: Characteristics and Performance*, for the purpose of preparing the third report. In that report the Commission will, among other things, examine U.S. SMEs engaged in providing services, including the characteristics of firms that produce tradable services, growth in services exports, and the differences between SME and large services exporters. It will also examine U.S. goods and services exports by SMEs and identify trade barriers that may disproportionately affect SME export performance, as well as possible linkages between exporting and SME performance. In addition, the report will identify how data gaps might be overcome to enhance our understanding of SMEs in service sector exports. The USTR requested that the Commission transmit this third report by October 6, 2010.

PUBLIC HEARING: The Commission will hold a joint public hearing in connection with this investigation and investigation No. 332-510 at the U.S. International Trade Commission Building, 500 E Street SW, Washington, DC, beginning at 9:30 a.m. on Wednesday, February 9, 2010 (and continuing on February 10, 2010, if needed). Requests to appear at the public hearing should be filed with the Secretary no later than 5:15 p.m., January 26, 2010, in accordance with the requirements in the “Submissions” section below. Persons wishing to appear should indicate in their request to appear whether they plan to provide testimony with respect to investigation No. 332-509, investigation No. 332-510, or both investigations. All pre-hearing briefs and statements should be filed not later than 5:15 p.m., January 28, 2010; and all post-hearing briefs and statements responding to matters raised at the hearing should be filed not later than 5:15 p.m., February 23, 2010. In the event that, as of the close of business on January 26, 2010, no witnesses are scheduled to appear at the hearing, the hearing will be canceled. Any person interested in attending the hearing as an observer or non-participant may call the Office of the Secretary (202-205-2000) after January 26, 2010, for information concerning whether the hearing will be held. The Commission is also considering holding additional hearings in Portland, Oregon and St. Louis, Missouri. Notice of the time, date, and place of those hearings would be published at a later date.

WRITTEN SUBMISSIONS: In lieu of or in addition to participating in the hearing, interested parties are invited to file written submissions concerning this investigation. All written submissions should be addressed to the Secretary, and all such submissions (other than pre- and post-hearing briefs and statements) should be received not later than 5:15 p.m., March 26, 2010. 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 authorize filing submissions with the Secretary by facsimile or electronic means only to the extent permitted by section 201.8 of the rules (see Handbook for Electronic Filing Procedures, http://www.usitc.gov/secretary/fed_reg_notices/rules/documents/handbook_on_electronic_filing.pdf). Persons with questions regarding electronic filing should contact the Office of the Secretary (202-205-2000).

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 requires 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 his request letter, the USTR stated that his office intends to make the Commission's reports available to the public in their entirety, and asked that the Commission not include any confidential business information or national security classified information in the reports that the Commission transmits to his office. 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.

By order of the Commission.

/s/

William R. Bishop
Acting Secretary to the Commission

Issued: November 25, 2009