

THE PRESIDENT'S EXPORT COUNCIL

WASHINGTON, D.C. 20230

March 12, 2013

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

Dear Mr. President,

The President's Export Council strongly supported Russia's accession to the World Trade Organization and the passage of permanent normal trade relations for Russia by the Congress in order to open this important market to U.S. companies and advance toward the National Export Initiative goal of doubling exports by 2014. For the expected benefits of Russia's accession for U.S. companies to materialize, Russia must fully implement the commitments that it made in its accession agreement.

Unfortunately, Russia has not yet joined the Information Technology Agreement, an important WTO agreement signed by 70 countries that provides duty-free treatment for a wide variety of technology products. The ITA covers nearly 97 percent of world trade in information technology products. Since its implementation over 15 years ago, total ITA product trade has increased more than 10 percent annually, from \$1.2 trillion to \$4.0 trillion. Russia's accession agreement required it to join the ITA at the time of its accession to the WTO.

Russia's implementation of its WTO commitments, including its commitment to join the ITA, is critically important. Not only is it necessary for U.S. companies to receive the benefits of Russia's accession, but a failure to satisfy its WTO commitments sets a negative precedent and undermines the effectiveness of the world trading system. Negotiating market access for U.S. companies is only the first step in a process that must include active and meaningful enforcement of trade commitments in order to provide the anticipated benefits to the U.S. economy. We urge you to make implementation of this commitment a top priority and take appropriate action to ensure that Russia complies with its obligation to join the ITA.ⁱ

Sincerely,



Jim McNerney

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