

NOTIFICATION TO ENTER INTO AN AGREEMENT
WITH THE EUROPEAN UNION, JAPAN, THE REPUBLIC OF KOREA, AND TAIWAN

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

NOTICE OF INTENTION TO ENTER INTO AN AGREEMENT WITH
THE EUROPEAN UNION, JAPAN, THE REPUBLIC OF KOREA, AND
TAIWAN ON TARIFF TREATMENT FOR MULTI-CHIP INTEGRATED
CIRCUITS IN ACCORDANCE WITH SECTION 2103(a)(1) OF THE
TRADE ACT OF 2002



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Committee on Ways and Means and ordered to be printed

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To the Congress of the United States:

Consistent with section 2103(a)(1) of the Trade Act of 2002, I am pleased to notify the Congress of my intention to enter into an agreement with the European Union, Japan, the Republic of Korea, and Taiwan on tariff treatment for multi-chip integrated circuits. Multi-chip integrated circuits are semiconductor devices used in computers, cell phones, and other high-technology products.

United States-based companies are the principal suppliers to the world of multi-chip integrated circuits. In 2004, global sales of finished multi-chip integrated circuits were estimated to be \$4.2 billion, and U.S. semiconductor companies account for roughly half of those sales.

The United States, the European Union, the Republic of Korea, and Taiwan will apply zero duties on these products as of an agreed date. The target date for entry into force of the Agreement is January 1, 2006. Japan already applies zero duties on these products and expects to ratify the Agreement formally in 2006. Further, although all major producers of multi-chip integrated circuits will be parties to the Agreement, we will seek to build on this Agreement by joining together to work in the World Trade Organization to increase the number of countries granting duty-free treatment to these products.

GEORGE W. BUSH.

THE WHITE HOUSE, November 14, 2005.

