

## COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

### Clarification of Procedures for Considering Requests from the Public for Textile and Apparel Safeguard Actions on Imports from the People's Republic of China

August 13, 2003.

**AGENCY:** The Committee for the Implementation of Textile Agreements (The Committee).

**ACTION:** Clarification of Safeguard Procedures

**SUMMARY:** This notice clarifies the notice published in the **Federal Register** on May 21, 2003 (see 68 FR 27787) by the Committee for the Implementation of Textile Agreements (the Committee) of procedures the Committee will follow in considering requests from the public for textile and apparel safeguard actions as provided for in the Report of the Working Party on the Accession of China to the World Trade Organization (the Accession Agreement).

**EFFECTIVE DATE:** August 18, 2003.

**FOR FURTHER INFORMATION CONTACT:** William Dulka, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4058.

#### SUPPLEMENTARY INFORMATION:

**Authority:** Section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854); Executive Order 11651 of March 3, 1972, as amended.

#### Background

The Accession Agreement textile and apparel safeguard allows the United States and other World Trade Organization Member countries that believe imports of Chinese origin textile and apparel products are, due to market disruption, threatening to impede the orderly development of trade in these products to request consultations with China with a view to easing or avoiding such market disruption. On May 21, 2003, the Committee published procedures the Committee will follow in considering requests from the public for textile and apparel safeguard actions as provided for in the Accession Agreement in the **Federal Register** (see 68 FR 27787). Upon further review, the Committee has determined that it is appropriate to clarify those procedures. Beyond the clarifications noted below, those procedures remain unchanged.

The Committee has determined that actions taken under Accession Agreement textile and apparel safeguard on imports from China fall within the foreign affairs exception to the rulemaking provisions of 5 U.S.C.

553(a)(1), and this notice does not waive that determination. This notice is not subject to the requirement to provide prior notice and opportunity for public comment, pursuant to 5 U.S.C. 553(a)(1) and 553(b)(A).

#### Clarifications

As was set forth in the May 21 notice, a request that has been accepted for consideration, with the exception of information marked "business confidential", will be posted by the Department of Commerce's Office of Textiles and Apparel (OTEXA) on the Internet (<http://www.otexa.ita.doc.gov>), along with the Federal Register notice in which public comments on the request are solicited. The May 21 notice also provided that a public record on each request will be maintained, including a non-confidential version of the request that is being considered, a non-confidential version of any public comment received with respect to a request, and, in the event consultations with China are requested, the statement of the reasons and justifications for such request for consultations subsequent to the delivery of the statement to China.

OTEXA will maintain an official record for each request on behalf of the Committee. The official record will include all factual information, written argument, or other material developed by, presented to, or obtained by OTEXA regarding the request, as well as other material provided to the Department of Commerce by other government agencies for inclusion in the official record. The official record will include Committee memoranda pertaining to the request, memoranda of Committee meetings, meetings between OTEXA staff and the public, determinations, and notices published in the **Federal Register**. The official record will contain material which is public, business confidential, privileged, and classified, but will not include pre-decisional inter-agency or intra-agency communications. If the Committee decides it is appropriate to consider materials submitted in an untimely manner, such materials will be maintained in the official record. Otherwise, such material will be returned to the submitter and will not be maintained as part of the official record.

OTEXA will make the official record public except for business confidential information, privileged information, classified information, and other information the disclosure of which is prohibited by U.S. law. Information designated by the submitter as business confidential will normally be considered to be business confidential

unless it is publicly available. The May 21 notice requires that a request or comment that contains business confidential information be accompanied by a non-confidential version in which business confidential information is summarized or, if necessary, deleted. The non-confidential version will be included in the public record. The public record will be available to the public for inspection and copying in a public reading room located in the Department of Commerce.

As was set forth in the May 21 notice, in response to a request or on its own initiative, the Committee will make a determination within 60 calendar days of the close of the comment period as to whether the Committee will request consultations with China. The Committee will make this determination in a manner consistent with longstanding Committee practice in considering textile safeguard actions and the information described in the May 21, 2003 notice.

**James C. Leonard III,**

*Chairman, Committee for the Implementation of Textile Agreements.*

[FR Doc.03-21034 Filed 8-15-03; 8:45 am]

**BILLING CODE 3510-DR-S**

## COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

### Solicitation of Public Comments on Request for Textile and Apparel Safeguard Action on Imports from China

August 13, 2003.

**AGENCY:** The Committee for the Implementation of Textile Agreements (the Committee)

**ACTION:** Solicitation of public comments concerning a request for safeguard action on imports from China of knit fabric (Category 222).

**SUMMARY:** On July 24, 2003, the Committee received a request from the American Yarn Spinners Association, American Manufacturing Trade Action Coalition, American Textile Manufacturers Institute and the National Textile Association alleging that imports from China of knit fabric (Category 222) are, due to market disruption, threatening to impede the orderly development of trade in this product. They request that a textile and apparel safeguard action, as provided for in the Report of the Working Party on the Accession of China to the World Trade Organization (the Accession Agreement), be taken on imports of such fabric. The Committee hereby solicits

public comments on this request, in particular with regard to whether imports from China of knit fabric are, due to market disruption, threatening to impede the orderly development of trade in this product. Comments must be submitted by September 17, 2003 to the Chairman, Committee for the Implementation of Textile Agreements, Room 3001, United States Department of Commerce, 14th and Constitution Avenue, N.W., Washington, D.C. 20230.

**FOR FURTHER INFORMATION CONTACT:** William Dulka, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4058.

**SUPPLEMENTARY INFORMATION:**

**Authority:** Section 204 of the Agriculture Act of 1956, as amended; Executive Order 11651, as amended.

**Background**

The Accession Agreement textile and apparel safeguard allows the United States and other World Trade Organization Members that believe imports of Chinese origin textile and apparel products are, due to market disruption, threatening to impede the orderly development of trade in these products to request consultations with China with a view to easing or avoiding such market disruption. Upon receipt of the request, China has agreed to hold its shipments to a level no greater than 7.5 percent (6 percent for wool product categories) above the amount entered during the first 12 months of the most recent 14 months preceding the request for consultations. The Member requesting consultations may implement such a limit. Consultations with China will be held within 30 days of receipt of the request for consultations, and every effort will be made to reach agreement on a mutually satisfactory solution within 90 days of receipt of the request for consultations. If agreement on a different limit is reached, the Committee will issue a **Federal Register** Notice containing a directive to the Bureau of Customs and Border Protection that implements the negotiated limit. The limit is effective

beginning on the date of the request for consultations and ending on December 31 of the year in which consultations were requested, or where three or fewer months remained in the year at the time of the request for consultations, for the period ending 12 months after the request for consultations. In order to facilitate the implementation of the Accession Agreement textile and apparel safeguard, the Committee has published procedures (the Procedures) it will follow in considering requests for Accession Agreement textile and apparel safeguard actions (68 FR 27787, published May 21, 2003).

On July 24, 2003, the Committee received a request from the American Yarn Spinners Association, American Manufacturing Trade Action Coalition, American Textile Manufacturers Institute and the National Textile Association alleging that imports from China of knit fabric (Category 222) are, due to market disruption, threatening to impede the orderly development of trade in this product, and requesting that an Accession Agreement textile and apparel safeguard action be taken on imports of knit fabric. The Committee has determined that this request provides the information necessary for the Committee to consider the request in light of the considerations set forth in the Procedures. The text of the request is reproduced in full below.

The Committee is soliciting public comments on this request, in particular with regard to whether imports from China of such fabric are, due to market disruption, threatening to impede the orderly development of trade in this product. Comments may be submitted by any interested person. Comments must be received no later than September 17, 2003. Interested persons are invited to submit ten copies of such comments to the Chairman, Committee for the Implementation of Textile Agreements, Room 3001, U.S. Department of Commerce, 14th and Constitution Avenue NW., Washington, DC 20230.

If a comment alleges that there is no market disruption or that the subject imports are not the cause of market disruption, the Committee will closely review any supporting information and documentation, such as information about domestic production or prices of like or directly competitive products. Particular consideration will be given to comments representing the views of actual producers in the United States of a like or directly competitive product.

The Committee will protect any business confidential information that is marked business confidential from disclosure to the full extent permitted by law. To the extent that business confidential information is provided, two copies of a non-confidential version must also be provided in which business confidential information is summarized or, if necessary, deleted. Comments received, with the exception of information marked "business confidential", will be available for inspection between 9:00 a.m and 4:30 p.m in Room 2233, United States Department of Commerce, 14th and Constitution Avenue NW., Washington DC 20230.

The Committee will make a determination within 60 calendar days of the close of the comment period as to whether the United States will request consultations with China. If the Committee is unable to make a determination within 60 calendar days, it will cause to be published a notice in the **Federal Register**, including the date by which it will make a determination. If the Committee makes a negative determination, it will cause this determination and the reasons therefore to be published in the **Federal Register**. If the Committee makes an affirmative determination that imports of Chinese origin textiles and apparel products are, due to market disruption, threatening to impede the orderly development of trade in these products, the United States will request consultations with China with a view to easing or avoiding such market disruption.

BILLING CODE 3510-DR-S



July 24, 2003

Mr. James Leonard, Chairman  
Committee for the Implementation of Textile Agreements  
U.S. Department of Commerce – Room H310  
14<sup>th</sup> and Constitution, NW  
Washington DC 20230

Dear Mr. Leonard:

The American Yarn Spinners Association, American Manufacturing Trade Action Coalition, American Textile Manufacturers Institute and the National Textile Association petition that the Committee for the Implementation of Textile Agreements (CITA) impose a textile safeguard action under the procedures set forth in Federal Register notice 03-12893 as provided for in the Report of the Working Party on the Accession of China to the World Trade Organization (WTO) with respect to imports of knit fabric, category 222.

The member companies of the trade associations making this request represent over two-thirds of domestic textile production and directly produce the product in question or make components that go into the product in question.

As the attached category specific information sheet will show, imports from China of these products have clearly "threatened to impede the orderly development of trade" and caused market disruption in the U.S. market.

As a result, the U.S. textile industry, which depends heavily on production sharing arrangements with Central America, the Caribbean and Mexico, in addition to domestic purchasers, has seen its production of the product in question or the component drop

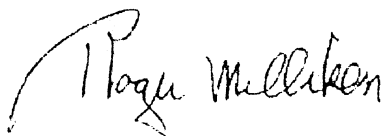
substantially because of the Chinese surge. In addition, Chinese prices fell 52% last year, putting severe downward pricing pressure on U.S. and foreign suppliers, eroding profitability and the ability of other suppliers to compete.

U.S. production of these products fell eight percent in 2002 and at least six knitting mills have closed in the United States since January 2002. These include:

|                        |                    |
|------------------------|--------------------|
| Ohio Knitting Mills    | Cleveland, OH      |
| Flynt Fabrics          | Graham, NC         |
| Guilford Mills         | Lumberton, NC      |
| Quitman Knitting Mills | Quitman, MS        |
| Anvil Knitwear         | Kings Mountain, NC |
| Guilford Mills         | Greensboro, NC     |

If you have any questions or need additional information, please let us know.

Sincerely,



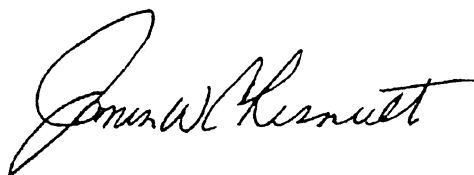
Roger Milliken  
American Manufacturing Trade Action Coalition



Willis C. Moore, III  
American Textile Manufacturers Institute



William Giblin  
National Textile Association



James W. Chesnutt  
American Yarn Spinners Association

## Category 222, knit fabric

### A. Imports from China and the world (1998-5/03): kilograms

|             | 1998       | 1999       | 2000       | 2001        | 2002        | YTD 5/02   | YTD 5/03   | May-03     | YE 5/02     | YE 5/03     |
|-------------|------------|------------|------------|-------------|-------------|------------|------------|------------|-------------|-------------|
| World       | 66,769,642 | 94,265,901 | 99,018,247 | 105,703,289 | 140,620,336 | 57,085,934 | 55,336,405 | 12,678,931 | 113,926,879 | 138,870,807 |
| China       | 638,779    | 112,515    | 42,505     | 31,761      | 7,011,453   | 2,467,433  | 3,762,786  | 966,676    | 2,487,375   | 8,306,806   |
| China Share | 1%         | 0%         | 0%         | 0%          | 5%          | 4%         | 7%         | 8%         | 2%          | 6%          |

### B. U.S. production data: kilograms

|                     | 1997        | 1998        | 1999        | 2000        | 2001        | 2002        |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| US Production       | 929,065,000 | 787,553,000 | 731,921,000 | 657,040,000 | 518,571,000 | 479,960,000 |
| Change              |             | -15%        | -7%         | -10%        | -21%        | -8%         |
| DMS-All imports     | 6%          | 7%          | 11%         | 12%         | 14%         | 23%         |
| DMS-Chinese imports | 0%          | 0%          | 0%          | 0%          | 0%          | 2%          |
| DMS-U.S. Production | 94%         | 93%         | 89%         | 87%         | 83%         | 76%         |

In 2002, prices for Chinese knit fabric fell from \$.77/square meter to \$.37/square meter, a decline of 52 percent. Prices have continued to decline into 2003.

**James C. Leonard III,**  
*Chairman, Committee for the Implementation of Textile Agreements.*  
 [FR Doc.03-21063 Filed 8-14-03; 11:25 am]  
**BILLING CODE 3510-DR-C**

## COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

### Solicitation of Public Comments on Request for Textile and Apparel Safeguard Action on Imports from China

August 13, 2003.

**AGENCY:** The Committee for the Implementation of Textile Agreements (the Committee)

**ACTION:** Solicitation of public comments concerning a request for safeguard action on imports from China of robes, dressing gowns, etc. (Category 350/650).

**SUMMARY:** On July 24, 2003, the Committee received a request from the American Manufacturing Trade Action Coalition, American Textile Manufacturers Institute and the National Textile Association alleging that imports from China of robes, dressing gowns, etc. (Category 350/650) are, due to market disruption, threatening to impede the orderly development of trade in this product. They request that a textile and apparel safeguard action, as provided for in the Report of the Working Party on the

Accession of China to the World Trade Organization (the Accession Agreement), be taken on imports of robes, dressing gowns, etc. The Committee hereby solicits public comments on this request, in particular with regard to whether imports from China of robes, dressing gowns, etc. are, due to market disruption, threatening to impede the orderly development of trade in this product. Comments must be submitted by September 17, 2003 to the Chairman, Committee for the Implementation of Textile Agreements, Room 3001, United States Department of Commerce, 14th and Constitution Avenue, N.W., Washington, D.C. 20230.

**FOR FURTHER INFORMATION CONTACT:** William Dulka, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4058.

#### SUPPLEMENTARY INFORMATION:

**Authority:** Section 204 of the Agriculture Act of 1956, as amended; Executive Order 11651, as amended.

#### Background

The Accession Agreement textile and apparel safeguard allows the United States and other World Trade Organization Members that believe imports of Chinese origin textile and apparel products are, due to market disruption, threatening to impede the orderly development of trade in these products to request consultations with China with a view to easing or avoiding such market disruption. Upon receipt of

the request, China has agreed to hold its shipments to a level no greater than 7.5 percent (6 percent for wool product categories) above the amount entered during the first 12 months of the most recent 14 months preceding the request for consultations. The Member requesting consultations may implement such a limit. Consultations with China will be held within 30 days of receipt of the request for consultations, and every effort will be made to reach agreement on a mutually satisfactory solution within 90 days of receipt of the request for consultations. If agreement on a different limit is reached, the Committee will issue a **Federal Register** Notice containing a directive to the Bureau of Customs and Border Protection that implements the negotiated limit. The limit is effective beginning on the date of the request for consultations and ending on December 31 of the year in which consultations were requested, or where three or fewer months remained in the year at the time of the request for consultations, for the period ending 12 months after the request for consultations. In order to facilitate the implementation of the Accession Agreement textile and apparel safeguard, the Committee has published procedures (the Procedures) it will follow in considering requests for Accession Agreement textile and apparel safeguard actions (68 FR 27787, published May 21, 2003).

On July 24, 2003, the Committee received a request from the American