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TO CLIENTS AND FRIENDS:

RE: International Trade Administration Notice on Vietnam Monitoring Program

In a pending *Federal Register* notice, the International Trade Administration section of the Department of Commerce is updating the public on the monitoring program for Vietnam textiles and apparel, under which the Administration might self-initiate dumping investigations against such products. The ITA is providing an additional period, through January 31, 2007, during which comments on the program, including rebuttals to the initial set of public comments, may be presented. Comments filed thereafter will also be considered on an ongoing basis. Comments should be limited to 25 pages or less, and may be accessed at the Import Administration web site at: <http://ia.ita.doc.gov>. In addition, the Department will establish an electronic hotline -vietnam-texapp-monitor-hotline@mail.doc.gov- for parties to provide input, raise questions or submit suggestions about the program. Persons interested in being included in the email notification system with respect to the program can provide their email address to the Department in writing or through the email hotline.

Monitoring began as of January 11, 2007, with emphasis on five product categories “of special sensitivity” - trousers, shirts, underwear, swimwear and sweaters. The Department intends to conduct formal evaluation of the data on a biannual basis (*i.e.*, in July and January), with interim reviews occurring only if warranted by unforeseen developments. In addition to using the three-digit categories applicable to the sensitive products, the Department intends to gather volume, value and average unit value data for selected products within those categories on a 10-digit Harmonized Tariff System (HTS) code basis. All data will be updated monthly. In addition to analyzing import data as part of this review process, the Department will consider domestic industry information including production, employment and other indicators of industry health received as the project progresses. Product reviews may change based on ongoing comments from the public, particularly those that enable Commerce to broaden its understanding of the composition and structure of the domestic textile and apparel industry, so that any actions will ostensibly comply with requirements concerning measurement of import impacts on “like” U.S. products.

Development of appropriate production templates and proxy countries was a highly contested issue in the initial comments, and the ITA indicates these will be determined on an as-needed basis, as merited by the Department's analysis of the monitored imports, and their impact on the domestic industry, and at later dates.

With respect to another disputed issue, the “critical circumstances” retroactivity issue, the ITA claims that any application by it of critical circumstances in the context of a self-initiated dumping investigation will be fully consistent with U.S. law, and with the applicable WTO rules. In such a case, suspension of liquidation would apply to unliquidated entries of merchandise entered, or withdrawn from warehouse, for consumption on or after the later of: 1) 90 days before the date on which suspension of liquidation is first ordered; or 2) the date on which notice of the initiation of the investigation is published in the *Federal Register*. **Importer, Beware.**

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Note: The above comments are intended for general information only, and not as legal advice. Legal advice can only be offered after a review of a client's specific facts and circumstances, which may affect the applicability of any general comments contained herein.