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**TO CLIENTS AND FRIENDS:**

**Re: CITA Accepts China Safeguard Petitions**

On April 27, the Committee for the Implementation of Textile Agreements (CITA) agreed to consider domestic industry and textile worker union requests for safeguard action limiting imports of seven categories of textile and apparel products from China. The seven categories are: (1) men's & boys' cotton & man-made fiber shirts, not knit (category 340/640); (2) cotton & man-made fiber sweaters (category 345/645/646); (3) cotton & man-made fiber brassieres (category 349/649); (4) cotton & man-made fiber dressing gowns (category 350/650); (5) man-made fiber knit shirts and blouses (category 638/639); (6) man-made fiber trousers (category 647/648); and (7) other synthetic filament fabric (category 620). CITA previously self-initiated safeguard reviews for categories 338/339 (cotton knit shirts and tops), 347/348 (cotton trousers and shorts) and 352/652 (cotton and man-made fiber underwear).

CITA will next publish in the Federal Register a request for public comment on whether there has been market disruption in these products, and, if so, the role of Chinese-origin products in that disruption. Interested parties may submit comments on the requests during a thirty-day period from date of publication. Comments were previously solicited for the self-initiated reviews and are due May 9th

CITA will make a determination within 60 calendar days of the close of the public comment period on whether to request consultations with China, but can delay decision by publishing a notice in the Federal Register, including the date by which it will make a determination. If CITA makes a negative determination, this determination and the reasons therefore will be published in the Federal Register. If there is an affirmative determination that imports of Chinese textiles and apparel products are disrupting the U.S. market, CITA will request consultations with China, and a quota on Chinese exports in the affected category or categories will be put into place. CITA need not take the full period to reach a decision.

There has also been a development on the litigation front this week. The Court of Appeals for the Federal Circuit issued a stay of the preliminary injunction against consideration of threat-based safeguard petitions. CITA has the option of moving forward with requests for consultations and the establishment of quotas. Oral arguments on threat-based procedures will be held next week, and the ultimate result remains unknown. Importers are still contesting CITA's authority to take any safeguard actions.

We are available to discuss the above issues with affected importers. Should you require analysis of the likely impact of quotas on planned second half deliveries in the affected categories, please contact us.

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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.**