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TO CLIENTS AND FRIENDS:

RE: CITA Reinstates Threat-Based China Safeguard Petitions

The Committee for the Implementation of Textile Agreements (CITA) announced it is rescheduling consideration of threat based petitions previously stayed due to a court injunction, and is soliciting public comments with respect to those requests for which the comment period remained open at the time the injunction was imposed. The notice will be in Monday's Federal Register.

In 2004, domestic interests requested CITA to take safeguard action on imports from China in twelve categories: (1) category 347/348; (2) category 338/339; (3) category 340/640; (4) category 638/639; (5) category 647/648; (6) category 352/652; (7) category 301; (8) category 620; (9) category 447; (10) category 222; (11) category 350/650; (12) category 349/649. On December 30, 2004, the Court of International Trade preliminarily enjoined CITA from considering or taking any further action on requests "that are based on the threat of market disruption". On April 27, 2005, the Court of Appeals for the Federal Circuit granted the U.S. government's motion for a stay of that injunction, pending appeal.

The 30-day public comment period closed prior to the injunction date for the following requests: (1) cotton trousers, category 347/348; (2) cotton knit shirts and blouses, category 338/339; (3) men's and boys' cotton and man-made fiber shirts, not knit, category 340/640; (4) man-made fiber knit shirts and blouses, category 638/639; (5) man-made fiber trousers, category 647/648; (6) cotton and man-made fiber underwear, category 352/652; and (7) combed cotton yarn, category 301. CITA announced that it would now take up to July 8, 2005 for consideration of the threat –based petitions for those categories.

With respect to the remaining five threat-based requests, public comments will now be due as follows: (1) category 620, no later than May 17, 2005; (2) category 447, no later than May 23, 2005; (3) knit fabric, category 222, no later than May 31, 2005; (4) dressing gowns and robes, category 350/650, no later than June 6, 2005; and 5) brassieres and other body supporting garments, category 349/649, no later than June 8, 2005. With respect to the requests for which the public comment period is open, CITA will make a determination within 60 calendar days of the close of the applicable public comment period.

For information on projected quota start and closing dates, in light of the new development, 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.