

Patricia Mears

Director

International Commercial Affairs

June 25, 2007

David Spooner
Assistant Secretary for Import Administration
U.S. Department of Commerce
Central Records Unit, Room 1870
Pennsylvania and 14th Street
Washington, D.C. 20230

RE: Request for Comments on Granting Market-Economy Treatment to Individual Respondents in Antidumping Proceedings Involving China

Dear Mr. Spooner:

We appreciate the opportunity to comment on methodologies employed by the Import Administration in dumping (AD) cases involving China. This is an issue of great concern to a number of our companies that are adversely affected by imports of goods from Chinese producers that may be dumping these products into the U.S. market.

We are not in a position to comment on specific methodologies for AD calculations or determinations. However, viewed from a policy perspective, we do not believe that, at this time, there is sufficient information on the possible consequences or methodologies to make such a significant change to U.S. antidumping policy and we urge that the current Federal Register notice be only the first part of a more in-depth and inclusive review.

The National Association of Manufacturers was founded as a free trade organization and strongly maintains its support for opening foreign markets to U.S. exports and investment. The U.S. and global economies have derived great benefit from the enhanced trade achieved through the World Trade Organization and U.S. bilateral agreements.

We also believe that a successful global trade regime must also include vigorous enforcement of countries' commitments. This is especially true in the case of China where there have been special concerns expressed about the degree of subsidization, industrial policy and non-market policies that have allowed for the prices of Chinese imports to represent substantially less than the cost of raw materials and production.

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The NAM supports the Commerce Department's August 2006 determination, in its well considered analysis of China's economy in the investigation on lined paper imports, that China had not yet met the requirements to be granted market economy (ME) status. We also note that, to date, no individual industry in China has been found to be sufficiently market-oriented to receive market economy treatment in AD cases.

We have a number of concerns about the possibility of individual companies having the ability truly to be market determined in a country that is not a market economy and in industries that are not. The distortions in non-market economies are often subtle and pervasive, and developing a methodology that could make an accurate determination of prices and values could be extremely resource intensive if even possible.


Additionally, we are concerned that adding this step would greatly increase the burden and cost of cases to U.S. companies. This would be especially burdensome for our small and medium-sized companies that already face a number of hurdles in making use of trade remedies. Thus, this step could result in making trade remedies less available and could inadvertently lead to more pressure from those who argue that existing remedies don't work and must be supplanted by new trade remedy legislation.

Finally, from a broader policy view, we wish to note that anything bringing China closer to ME status is one of the few incentives that the United States has to motivate China to move more quickly on its currency and on other macro-economic steps being urged by the U.S. Government. Such incentives should not simply be given away for nothing in return.

We are unaware of any provision in the dumping law that requires the more granular approach to market determination that is being considered. For all the above reasons, we urge caution before embarking on a new policy and ask that considerably more analysis and consultation with affected industries be conducted before considering any change.

Thank you for taking our comments into consideration.

Sincerely,



Patricia Mears