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December 10, 2007

BY HAND AND VIA E-MAIL

The Honorable David Spooner
Assistant Secretary for Import Administration
U.S. Department of Commerce
14th Street & Constitution Avenue, NW
Washington, DC 20230

Dear Mr. Spooner:

On behalf of the Committee to Support U.S. Trade Laws ("CSUSTL"), these comments respond to the Department's October 25, 2007 notice, Antidumping Methodologies in Proceedings Involving Certain Non-Market Economies: Market-Oriented Enterprise; Request for Comment, 72 Fed. Reg. 60,649 (Oct. 25, 2007) (the "Comment Request"). The Comment Request is the Department's second request for comments concerning

> whether it should consider granting market-economy treatment to individual respondents in antidumping proceedings involving the People's Republic of China ("China"), the conditions under which individual firms should be granted market-economy treatment, and how such treatment might affect our antidumping calculation for such qualifying respondents.

Comment Request, 72 Fed. Reg. 60,649. By notice published May 25, 2007, the Department previously solicited comments on these issues. Numerous parties, including CSUSTL, presented comments and analysis in response. See http://ia.ita.doc.gov/download/nme-moe/nme-moe-cmt-20070625-index.html.

In the October 25, 2007 Comment Request, the Department indicates that it has considered the comments presented in June, and presently seeks comment on several issues related to or arising from the comments already presented. First, the Department has asked "parties to further consider whether there is a legal basis for a MOE test." 72 Fed. Reg. at 60,650. Second, the Department has asked "parties to consider administrative feasibility in proposing how the Department could identify an MOE operating within a broader NME environment." Id. Third, the Department has asked "parties also to consider to what extent, and under what conditions, the Department should rely on an MOE's prices and costs, particularly for those inputs that are inextricably linked to the broader operating economic environment, *i.e.*, labor, land and capital." Id. Fourth, the Department has asked parties to address "how appropriate and feasible would it be to consider using a respondent's own prices and costs within China in conjunction with certain surrogate prices and costs" in its antidumping duty calculations. Id.

The following sections address these topics in turn. As discussed below, the Department lacks the legal authority to grant market-oriented status to individual Chinese enterprises. It is CSUSTL's position that any administrative effort to designate individual Chinese enterprises as "market oriented" and thus eligible to use some form of market economy antidumping duty methodology would be contrary to clearly-articulated international and domestic law, and as such would be unlawful. Second, were the Department to consider such a step notwithstanding these considerations, as a practical matter the agency would experience significant administrative difficulties in developing and implementing a methodology that was not highly flawed and potentially arbitrary and capricious. Third, under no circumstances should the Department

attempt to rely on an MOE's actual prices and costs within China, particularly for those inputs that are inextricably linked to the broader operating economic environment. Fourth, in light of the lack of reliable prices or costs with the NME as a whole, it would be neither feasible nor appropriate to consider using a respondent's own prices and costs within China in conjunction with certain surrogate prices and costs as the Department conducts its antidumping duty calculations.

I. THE DEPARTMENT HAS NO SOUND LEGAL BASIS ON WHICH TO GRANT MARKET-ORIENTED TREATMENT TO INDIVIDUAL CHINESE COMPANIES IN ANTIDUMPING DUTY PROCEEDINGS

As discussed by CSUSTL in its June 22, 2007 comments, the rationale that has been offered by the Department for its proposal to consider treating individual Chinese companies as market-oriented to some degree or another is that China's economy has evolved over time and now features some degree of private initiative as well as on-going, significant government intervention. See, e.g., Antidumping Methodologies, 72 Fed. Reg. at 29,303. Nowhere in the Department's May 2007 notice nor in the Comment Request is there any discussion of what the legal basis might be for possibly according market-economy treatment to an individual Chinese company in the context of antidumping proceedings. The Department's second request for comment on this issue does not alter the existing international and domestic legal authority make it quite clear that such a policy and methodology are neither contemplated nor allowed.

A. China's Protocol of Accession at the World Trade Organization ("WTO") Does Not Envision or Authorize Market-Oriented Treatment of Individual Chinese Respondents in Antidumping Duty Proceedings

As an initial matter, it is evident from an international legal standpoint that there is no obligation on the part of the United States, and there is no right on the part of China, to have

individual Chinese enterprises treated as market-economy entities. This conclusion is supported by the relevant portions of paragraph 15 of China's protocol of accession, notably subparagraphs (a) and (d).

> **15. Price Comparability in Determining Subsidies and Dumping**
>
> Article VI of the GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("Anti-Dumping Agreement") and the SCM Agreement shall apply in proceedings involving imports of Chinese origin into a WTO Member consistent with the following:
>
> > (a) In determining price comparability under Article VI of the GATT 1994 and the Anti-Dumping Agreement, the importing WTO Member shall use either Chinese prices or costs for the industry under investigation or a methodology that is not based on a strict comparison with domestic prices or costs in China based on the following rules:
> >
> > (i) If the producers under investigation can clearly show that market economy conditions prevail in the industry producing the like product with regard to the manufacture, production and sale of that product, the importing WTO Member shall use Chinese prices or costs for the industry under investigation in determining price comparability.
> >
> > (ii) The importing WTO Member may use a methodology that is not based on a strict comparison with domestic prices or costs in China if the producers under investigation cannot clearly show that market economy conditions prevail in the industry producing the like product with regard to manufacture, production and sale of that product.
> >
> > * * *
> >
> > (d) Once China has established, under the national law of the importing WTO Member, that it is a market economy, the provisions of subparagraph (a) shall be terminated provided that the importing Member's national law contains market economy criteria as of the date of accession. In any event, the provisions of subparagraph (a)(ii) shall expire 15 years after the date of accession. In addition, should China establish, pursuant to the national law of the importing WTO Member, that market economy

> conditions prevail in a particular industry or sector, the non-market economy provisions of subparagraph (a) shall no longer apply to that industry or sector.

Protocol and Decision of the Accession of The People's Republic of China to the World Trade Organization, WT/L/43223 (Nov. 2001) (emphasis added).[1]

As the underlined portions of these pertinent excerpts from paragraph 15 demonstrate, the express focus of this provision speaks only of the industry or sector under investigation. There is no mention of or allowance for treatment of individual Chinese companies as market-oriented entities for antidumping purposes. In fact, the language regarding findings of partial market-orientation of China is explicitly limited to industries and sectors.

The specific and repeated reference to industries and sectors, and omission of any reference to eligibility in this regard for any individual Chinese enterprise, should be construed as precluding a requirement that the United States accord any such benefit to China. Had there been a mutual consensus and intent by the WTO's Member States otherwise, that purpose would have been articulated. Under these circumstances, it is apparent that there is no authority under China's protocol of accession at the WTO for the Department to confer market-economy status on an enterprise-specific basis.

B. The Antidumping Statute and the Department's Regulations Neither Envision Nor Authorize Market-Oriented Treatment of Individual Chinese Enterprises in Antidumping Duty Proceedings

In the 1994 Uruguay Round Agreements Act, the United States implemented in U.S. domestic law the Uruguay Round's various agreements. Section 773(c) of the Tariff Act of 1930, 19 U.S.C. § 1677b(c), is the portion of the antidumping statute that deals with computing normal

[1] Available at http://www.mac.doc.gov/China/ProtocolandDecision.pdf.

value in antidumping proceedings when non-market-economy countries are involved. Nowhere in section 773(c) is there any reference or inference that individual enterprises in a non-market economy can qualify as market-oriented.

Also importantly, there was no change to section 773(c) in this regard after China's accession to the WTO in December 2001. Had China's protocol of accession included possible treatment of individual Chinese enterprises as market-oriented in antidumping proceedings, it is reasonable to expect that U.S. domestic law would have been amended to reflect that substantial a change.

Lastly on this score, the Department's regulations, 19 C.F.R. § 351.408, outline the Department's non-market-economy dumping methodology and do not permit consideration of individual Chinese enterprises as market-oriented. The Department's regulations thus are consistent in this respect with Paragraph 15 of China's protocol of accession at the WTO and with section 773(c) of the U.S. antidumping statute.

C. Summary

Whether one looks at China's protocol of accession at the WTO, the relevant provisions of the U.S. antidumping statute, or the Department's regulations, there is no legal ground or authority for the sort of market-oriented treatment of individual Chinese enterprises in antidumping proceedings that the Department appears to be contemplating. Under current international and domestic law, only Chinese industries or sectors in their entirety are eligible to be considered, one-by-one, for market-oriented evaluation. It was in this incremental fashion – industry-by-industry or sector-by-sector and not enterprise-by-enterprise – that the WTO's Member States agreed that progress by China toward being considered a market economy as a

country after December 11, 2016, would be recognized in antidumping matters. CSUSTL urges that the Department not disrupt this arrangement and respectfully believes that the Department has no international or domestic legal discretion to do so.[2]

CSUSTL respectfully submits that the preceding legal authority and analysis are dispositive of this issue, and that the Department should determine, as a matter of law, that it lacks the authority to consider conferring market-economy status to individual Chinese enterprises. In the event that the Department determines to further consider the consequences involved in such a fundamental change in practice, the following sections address administrative issues that would result. We submit that these also argue strongly in favor of declining to further consider the issue of enterprise-specific market economy status.

II. IN ADDITION TO BEING CONTRARY TO LAW, DETERMINING WHETHER CHINESE ENTERPRISES IN ANTIDUMPING PROCEEDINGS ARE MARKET-ORIENTED WOULD BE ADMINISTRATIVELY UNFEASIBLE

The Department's second specific request sought comment on administrative feasibility and how the Department could identify a market-oriented enterprise operating within a broader NME environment. Comment Request, 72 Fed. Reg. at 60,650. For the following reasons, CSUSTL submits that identifying a market-oriented enterprise within a broader NME environment is not administratively feasible.

[2] As previously noted, why the European Community ("EC") has seen fit to adopt a policy along these lines and what the EC's experience has been with this policy are not considered here beyond saying that (a) the EC's decision in no way binds the United States to follow suit and (b) CSUSTL respectfully disagrees with the propriety of the EC's action on the legal and practical grounds raised here in these comments.

A. General Observations

Even without the determinative legal impediments noted above, administrative efforts to identify individual Chinese enterprises that are truly market-oriented would be forced to confront a fundamental inconsistency inherent in the conceptual framework *per se* that the Department's notices have raised. As the Department commented in its May 2007 request for comment on these issues, no Chinese industry to date has ever been granted market-oriented status. See 72 Fed. Reg. at 29,303. Under those circumstances, how an individual Chinese company could be so completely insulated from its own and overlapping non-market-economy industries and markets in China as to be market-oriented itself is difficult to fathom. Further, any attempt to demonstrate how an individual Chinese company could be shown to be so insulated in a given instance would be extremely complicated and excessively time-consuming to undertake within the tight time limits mandated by the statute in any, much less all, of the many Chinese antidumping proceedings before the Department. Moreover, as a practical matter, such an inquiry would demand and consume disproportionate amounts of resources within the Department, at a time when the Department's resources in NME proceedings already are limited and strained.

In particular, if an industry in China is so pervasively affected by non-market conditions as to preclude a finding by the Department that the industry as a whole is market-oriented, it is highly questionable that any individual Chinese company within that industry and tied to other non-market industries in China could operate as a market-oriented business entity or that any market-oriented behavior by an individual Chinese company could be established and quantified in a way that would not be tainted by the industry's non-market situation overall.

A Chinese company's pricing to Chinese customers served by a non-market-economy industry in China, for example, could not be unaffected by the non-market conditions involving the customer base of that industry as a whole. Similarly, such a company could not escape the non-market distortions affecting its domestic purchase of goods and services in the supply chain universally applicable to its industry.

In CSUSTL's judgment, if the Department were to go down the path that the Department seems to be thinking it might pursue, the Department and the parties would be confronted at each step with the fundamental contradiction just observed and with a well-nigh impossible task. These obstacles and shortcomings are highlighted and brought into sharper perspective by the principal factors that would be relevant to any inquiry into whether an individual Chinese company should be accorded market-economy status.

B. An Individual Chinese Company in a Non-Market Chinese Industry Could Not Reasonably Ever Be Viewed As Segregated from Its Industry and Market So As Properly to Be Considered to Be Market-Oriented

Among other considerations, any meaningful analysis of whether an individual Chinese enterprise could be considered market-oriented for antidumping purposes, even though its industry, sector, and overall national economy are not market-oriented, would require scrutiny, inter alia, of the structure of the industry, the legal status of the individual respondent and the other members of the industry, the economic structure of the individual respondent and its industry, all pricing behavior by the individual respondent, its suppliers, and its industry, the respondent's costs of production and its industry's costs of production, interaction and support by the various levels of the Chinese government with both the individual Chinese company, its

suppliers, and its industry and related industries, and various qualitative and quantitative benchmarks.

In other words, if the Department were to attempt to consider whether an individual Chinese enterprise were market-oriented, the agency would need to carry out that micro-level analysis in the context of a analyses of the enterprise's industry and other industries with which the Chinese enterprise was active. Only in this manner could the agency logically and defensibly attempt to ascertain whether the individual Chinese enterprise was truly operating in a market-oriented mode apart from its non-market-oriented Chinese industry and market. In CSUSTL's opinion, merely describing this proposition suggests the degree to which it would demand resources that either are better used elsewhere or are simply not available. It also suggests the degree to which the required analysis is administratively unfeasible given the extensive influence in the market and on companies in China that the national, provincial, and local Chinese governments have.

III. INDIVIDUAL ENTERPRISES' DOMESTIC PRICES AND COSTS REMAIN IMMUTABLY AFFECTED BY THE OVERALL NON-MARKET CONTEXT IN WHICH THEY ARE SET

The Department's third request sought comment on whether, and under what conditions, the Department should rely on an MOE's prices and costs. Comment Request, 72 Fed. Reg. at 60,650.

Domestic (i.e., Chinese) prices or costs for individual Chinese enterprises are immutably affected by the most fundamental aspects of China's economy. While China's economy has changed in important ways over the past several decades, as a matter of law China's economy "does not operate on market principles of cost or pricing structures…." 19 U.S.C. § 1677(18)(A);

see Memorandum for David M. Spooner, Assistant Secretary for Import Administration, Antidumping Duty Investigation of Certain Lined Paper Products from the People's Republic of China's Status as a Non–Market Economy (Aug. 30, 2006) (reaffirming China's status as a non-market economy pursuant to 19 U.S.C. § 1677(18)); Comment Request, 72 Fed. Reg. at 60,649.

Attempting to use a Chinese enterprise's domestic prices or costs is fundamentally different from the use, for example, of market economy input prices pursuant to 19 C.F.R. § 351.408(c)(1). In contrast to the costs or prices of market economy inputs, domestic costs or prices of a Chinese enterprise arise in an economic setting that has legally been determined as not operating on market principles, and as being unreliable for purposes of the Department's antidumping duty analysis. The continuing and pervasive macro-level influences existing in China's economy as a whole can be illustrated by reference to the factors that would have to be considered under section 771(18) of the Tariff Act of 1930, 19 U.S.C. § 1677(18). While this section of the Act specifically refers to factors to be considered when determining whether a foreign country is a "nonmarket economy country," analysis of these factors also demonstrates that it would be virtually impossible to rely upon an individual Chinese enterprise's pricing or costs.

1. Exchange-Rate Distortions

One factor that must be taken into account when the Department decides whether a non-market-economy country should be graduated to market-economy status under the antidumping law is whether the country's currency is freely convertible into the currencies of other countries. 19 U.S.C. § 1677(18)(B)(i). In China's case, its currency is not freely convertible, and it is widely agreed that the yuan or renminbi is undervalued, by some estimates by 40 percent or

more, as the result of protracted, large-scale intervention in the exchange market by China's government. With such undervaluation skewing costs and prices generally, this condition by itself should preclude any individual company operating in China from being given market-economy treatment.

2. Wage-Rate Distortions

Another factor that would need to be explored is the extent to which wage rates for the individual Chinese company and for the other Chinese companies in the industry were set by free bargaining between labor and management. 19 U.S.C. § 1677(18)(B)(ii). Wage rates in China, however, are not determined by free bargaining, and so here, too, it is hard to see how it would make sense to consider an individual company in China to be market-oriented anymore than it makes sense to consider Chinese industries as market-oriented.

3. Distortive Limitations on Foreign Firms' Ability to Engage in Joint Ventures and Other Investments

A third factor to be analyzed would be the extent of distortions attributable to limitations on foreign participation in joint ventures and other investments in China. 19 U.S.C. § 1677(18)(B)(iii). These limitations are common in China, and their effects on the operations of Chinese companies and on the markets in China are both far-reaching and often hard to ascertain and quantify. The interrelationships between such limitations on foreign investments in an industry in China and on any particular company in China would likely be significant and often extensive and would undercut the notion that any individual Chinese company or its industry could accurately be said to be market-oriented.

4. Distortions Caused By Chinese Governmental Ownership or Control of the Means of Production

Chinese governmental influence over Chinese companies and the Chinese market is retained also via Chinese governmental ownership and control of the means of production in a large number of industries. See 19 U.S.C. § 1677(18)(B)(iv). It is difficult to imagine that there are many, if any, Chinese companies that are completely unaffected by such governmental ownership and control either in that company's industry or in a related industry that is either a supplier or purchaser of that company and its industry or both. Once again, the reality is that individual Chinese companies are affected in myriad ways by the Chinese government's web of ownership and control. How an individual Chinese company in this situation could be operating or could be shown to be operating as a market-oriented entity is well-nigh incomprehensible.

5. Distortions Due to Chinese Governmental Control Over the Allocation of Resources and Over Decisions on Prices and Output

A fifth factor that the Department would be required to weigh is the degree of Chinese governmental control over the allocation of resources and pricing and output decisions. 19 U.S.C. § 1677(18)(B)(v). Such control by the Chinese government in China's economy is extensive and negates claims by an individual Chinese company and its industry of their having market-oriented operations. What resources are available, what the costs of those resources are, how much output is produced, and at what prices the output is to be sold are all integral business decisions. As mentioned earlier, it does not seem possible that any individual company in China could be so removed from the Chinese government's far-reaching economic controls in these regards as to be truly market-oriented.

6. Summary

The foregoing factors individually and in combination are a formidable deterrent to any finding that an individual Chinese company could be deemed to be market-oriented when the Department to date has never determined that any industry in China is market-oriented. In CSUSTL's opinion, the preceding analysis of the statutory factors described in 19 U.S.C. § 1677(18)(B) supports a determination that any attempt to use an individual enterprise's prices and costs in an NME is unsound. Where fundamental macroeconomic features of an economy, such as labor, land, and capital, are not predicated on market economy principles of cost or pricing, the rest of the economic environment that is inextricably linked to and flows from those features also cannot be deemed to reflect and be based on market economy principles of pricing or cost. Labor, land, and capital, for example, influence virtually every other aspect of an economy. Pricing for any input obtained from an economy necessary reflects the myriad factors required to produce the input itself. By definition, any input from any country is influenced by and reflects – at some level – the economy in which it was produced. Labor rates, the availability and cost of capital, and land rates all operate at multiple levels to influence not only the price and cost of any given input, but also its availability in the first place. Governmentally-controlled decisions concerning resource allocation and production priorities affect the entire economy in which they arise. The influence of non-market forces at microeconomic levels is no less pervasive that it is at macroeconomic levels, even if it is more difficult to quantify. For these reasons, attempting to use an individual NME enterprise's costs or prices would serve simply to undermine the integrity of the Department's NME normal value methodology, which

correctly relies upon an individual enterprises factors of production, while valuing them using a prices from an appropriate surrogate country.

IV. IT WOULD BE INAPPROPRIATE AND UNFEASIBLE TO USE AN INDIVIDUAL ENTERPRISE'S OWN PRICES AND COSTS IN CHINA IN CONJUNCTION WITH CERTAIN SURROGATE PRICES AND COSTS

The Department's last area for comment asked parties to address "how appropriate and feasible would it be to consider using a respondent's own prices and costs within China in conjunction with certain surrogate prices and costs" in the Department's antidumping duty calculations. Comment Request, 72 Fed. Reg. at 60,650.

This suggestion appears to contemplate application of an antidumping duty methodology that calculates normal value using some factors of production and surrogate values, along with some of an individual enterprise's own costs and pricing. As such, it appears to anticipate making a finding that normal value may be calculated, to some degree, in accordance with 19 U.S.C. § 1677b(a), thus avoiding use, at least in part, of the non-market economy normal value calculation methodology described in 19 U.S.C. § 1677b(c).

As a matter of law, CSUSTL submits that the Tariff Act does not allow the hybrid normal value methodology that the Department appears to suggest. 19 U.S.C. § 1677b(c) specifically requires the use of the FOP-based normal value methodology "when the administering authority finds that available information does not permit the normal value of the subject merchandise to be determined in accordance with subsection (a) of this section …." 19 U.S.C. § 1677b(c)(1)(B). In such circumstances,

> the administering authority shall determine the normal value of the subject merchandise on the basis of the value of the factors of production utilized in producing the merchandise and to which shall be added an amount for

> general expenses and profit plus the cost of containers, coverings, and other expenses. Except as provided in paragraph (2), the valuation of the factors of production shall be based on the best available information regarding the values of such factors in a market economy country of countries considered to be appropriate by the administering authority.

19 U.S.C. § 1677b(c)(1) (emphasis added).

The statute thus requires use of the FOP-based normal value methodology "when the administering authority finds that available information does not permit the normal value of the subject merchandise to be determined in accordance with subsection (a) of this section.…" It is an all-or-nothing approach, and does not allow reliance in part on the methodology described under 19 U.S.C. § 1677b(a), and reliance in part on the methodology described in 19 U.S.C. § 1677b(c). Attempting to create a hybrid methodology would be contrary to the statutory scheme, and is not allowed.

Moreover, a hybrid approach would be highly burdensome from an administrative perspective. It would require determining which inputs should be considered "domestic market economy" in nature, and which should be valued using surrogate values. No matter how small the number of inputs involved with the subject merchandise in a proceeding, such an approach would inject an extraordinary level of complexity for the Department and the parties. It also would inject a significant degree of uncertainty in any given proceeding by complicating the ability of any party to seek to control its dumping or to determine whether dumping is occurring.

On balance, attempting to craft a hybrid methodology to determine normal value using elements of both the Department's market-economy normal value methodology under 1677b(a) and its FOP-based normal value methodology under 19 U.S.C. § 1677b(c) would be

inappropriate from both a legal and an administrative point of view. CSUSTL respectfully submits that the Department should decline any attempt to take it down this path.

V. CONCLUSION

As the Department stressed in its study in August 2006, China's economy remains thoroughly directed by the Chinese government. It remains to be seen how much progress China's economy will make by December 11, 2016, toward becoming market-oriented in fact. At nearly the halfway mark of the fifteen-year period before it will automatically be considered as a market economy for antidumping purposes, China still has a long way to go.

As this submission has sought to point out, there is a straightforward set of guidelines in China's protocol of accession at the WTO that whatever progress China makes toward a market economy is to be measured industry-by-industry and sector-by-sector, not enterprise-by-enterprise, under the WTO's antidumping regime. These guidelines are reflected in the U.S. antidumping statute and in the Department's regulations. These guidelines, as a matter of international and domestic law, should be faithfully followed by the Department.

From a practical vantage and as a matter of policy as well, there is every reason to adhere to the international and domestic law that is designed to govern this subject.

- Even the prospect that market-oriented status might be awarded by the Department to individual Chinese companies before December 11, 2016, rather than on an industry-by-industry or sector-by-sector footing, might slow any headway by China to allow its economy to become market-driven.
- Along the same lines, an antidumping policy to treat individual Chinese companies as market-oriented, contrary to China's protocol of accession at the WTO, would send

mixed signals to China. The value of the Department's decision to apply countervailing duties to China's governmental subsidies is that China correctly is being expected by the United States to uphold China's international legal commitments not to subsidize its domestic industry and exports and instead to have China make a successful transition to a market economy. Prior to December 11, 2016, the best chance the United States has to encourage that transition is to recognize under China's protocol of accession if and when an entire Chinese industry or sector truly becomes market-oriented. Permitting on a piecemeal basis individual Chinese companies the privilege of market-oriented status in U.S. antidumping proceedings will give China very significant benefits that were not negotiated and almost certainly without any advantage for the United States in return.

- It would be incongruous for the Department to expend precious resources of its own and of U.S. producers and workers in attempting to resolve whether any individual Chinese company in any respect could be called market-oriented when no Chinese industry has ever been considered by the Department to be market-oriented.
- There is every reason to anticipate that the outcome of such time-consuming deliberations would and should be that no individual Chinese company should be treated as market-oriented.
- The shouldering of this self-imposed load in case after case involving China would be extremely taxing on the Department and to no real purpose.
- At a time when the United States is incurring tremendous and unsustainable debt, and U.S. industries and workers are losing market share, revenue, and jobs due in significant measure to China's mercantilist policies such as the undervaluation of the yuan or

renminbi, the wisdom of the approach the Department has broached for consideration is very much open to question and reasonable doubt.

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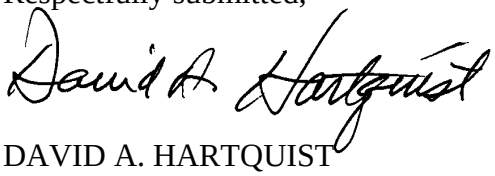
CSUSTL appreciates the opportunity to provide these comments.

Respectfully submitted,



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