



June 25, 2007

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DEPT. OF COMMERCE
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IMPORT ADMINISTRATION

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

Dear Mr. Spooner:

On behalf of General Motors Corporation, I would like to respond to the Department of Commerce's request for public comments on whether it should consider granting market-economy treatment to individual respondents in antidumping proceedings involving China, the conditions under which individual firms should be granted market-economy treatment, and how such treatment might affect the antidumping calculation for such qualifying vehicles.

First, I would like to stress that it is clear that unfair pricing and government subsidies of exported goods may distort the free flow of goods and adversely affect the competitiveness of U.S. products. Accordingly, General Motors supports U.S. policies, including robust anti-dumping and countervailing duty laws, that provide U.S. firms reasonable recourse against the unfair traded practices of foreign companies and countries.

At the same time, it is important to recognize that misuse of such tools can also distort trade flows and hurt the competitiveness of industries that consume foreign goods and materials. Specifically, the imposition of punitive duties on imports can lead to higher prices and reduced availability of critical parts and materials. It is precisely because of these potentially damaging impacts that the Department and the International Trade Commission are obligated to conduct "sunset reviews" every five years to determine whether it is necessary that anti-dumping and countervailing duties remain in place.

Given these considerations, General Motors takes the position that the use of anti-dumping and countervailing duty law and the methodologies used to identify and address unfair trading practices must be fair and balanced and not unduly handicap imports that are fairly trade or do not result in material injury to domestic producers.

Currently, countries designated as non-market economies are penalized in U.S. anti-dumping actions, because World Trade Organization rules allow the use of factors of production analysis as a proxy for prices in non-market economies. This practice

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tends to result in higher dumping margins than would be the case if actual data were used. However, this disadvantage was in part offset by the fact the Commerce Department took the position that it would not pursue countervailing duty cases against non-market economies, because of the difficulties of accurately measuring the amounts of alleged subsidies.

Recently, the Department reversed this long-standing practice in determining that it would pursue a countervailing duty action against coated paper products from China. It is our view that if any country/industry is sufficiently developed that cost data is considered reliable for the purposes of countervailing duty cases, the data for that industry should also be considered reliable for the purpose of anti-dumping actions.

Accordingly, we support consistency in the approach taken, so that the same industry in the same country is treated similarly, both for anti-dumping and countervailing duty cases. If the Department of Commerce establishes that countervailing duty actions may be pursued against industries in China or other non-market economies, it should apply market economy methodologies in anti-dumping investigations involving those industries.

We appreciate the opportunity to offer our comments for this review.

Sincerely,



Mustafa Mohatarem