



**CHINA CHAMBER OF COMMERCE FOR
I/E OF LIGHT INDUSTRIAL PRODUCTS
&ARTS-CRAFTS (CCCLA)**

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From: China Chamber of Commerce for I/E of Light Industrial Product and
Arts-Crafts (CCCLA)

To: United States Department Of Commerce

International Trade Administration, Import Administration

Atten: James J. Jochum, Assistant Secretary

October 14, 2004

Re: Comments on Adjustment of Separate Rates Practice in
Anti-Dumping Proceedings Involving Non-Market Economy
Countries

Respectable officials,

China Chamber of Commerce for Import and Export of Light Industrial Products and Arts-Crafts (hereinafter CCCLA) would like to avail itself of this opportunity to present its compliment to the United States Department Of Commerce (the DOC). Pursuant to the Official Gazette of Billing Code 3510-DS-P, we would like to air the following views on behalf of China's light industry.

Opinion 1: Setting a new application process concerning Separate Rates specifically for NME respondents

In our views, the so-called application process is nominally used to evaluate if the NME applicants are eligible to be granted the separate rates. Nevertheless, such an evaluation is essentially designed to extend beyond the scope of general formalized review. In this new process, the applicant have to be required to provide all the relevant documents for the DOC's review, including: its ownership status, data of its exporting activities, suppliers and its direct or indirect affiliated parties, and even the evidence involving whether its sales operation are de jure and de facto out of government's control. Further, the DOC still conserves the rights to ask questions not addressed currently by its standard NME Section A questionnaire. It is clear that such an application process, as an essential review, becomes the key in granting the separated rates to NME respondents. By this reason, we think that the DOC has an obligation to provide all the separate rate applicants with opportunity to defend their interests while setting up this new process, such as holding a hearing or conducting on-site verification for each applicant. Only doing so, the separate rate applicants shall be given the fair and reasonable determination, and the DOC's discretion could be restrained into an appropriate scope.

Opinion 2: Extending the scope of assigning the exporter-producer combination rates

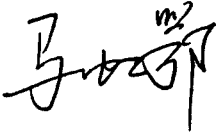
In this regard, we think that DOC's broadening of the exporter-producer combination rates fails to take the various complexions in practice into its account, thus would be lack of feasibility. In China, it is rather universal that one exporter gains its sources of merchandise from over two suppliers. If an exporter and its supplier are combined and assigned the same dumping rate, there would exist a case where one company could be given more than one rate due to choosing different cooperative partners. Particularly, as to a producer, if it not only joins another exporter to ship its subject merchandise to USA, but also does partial shipments by itself during POI, will the DOC still assign a combination rate to them even though the producer and exporter both respond to the AD investigation and their dumping margin are calculated quite differently? Moreover, if the exporter or producer changes its original partner shortly after administrative review, then pursuant to the Opinion 2, it shall apply to the country-wide rate unless it participates in the next annual review. In this way, NME respondents will spend over one year changing its rate. Therefore, it is extremely unreasonable and has an adverse impact on NME companies' oversea business.

Opinion 3: Changing the practice concerning third country reseller

In our views, it is really illogical that the DOC presumes in advance that the NME exporters necessarily be aware how their third-country resellers deal with the subject merchandise and which country is the ultimately destination. The DOC's assumption is totally based on its subjective guess and seriously deviates from legal basis. Additionally, it seems more unreasonable for DOC to require the innocent NME exporters to certify their unawareness of destination by providing strong evidence.

The CCCLA would take this opportunity to renew the assurance of its highest consideration to the DOC.

Very truly yours,

A handwritten signature in black ink, appearing to be 'Ma Honge', with a small 'm?' above the first few letters.

Mr. Ma Honge
Vice president

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