



NEWS

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Inv. No. TA-421-2 (Remedy)

ITC ANNOUNCES REMEDY PROPOSALS IN ITS CHINA SAFEGUARD INVESTIGATION INVOLVING IMPORTS OF CERTAIN STEEL WIRE GARMENT HANGERS FROM CHINA

The U.S. International Trade Commission (ITC) today announced the remedy proposals it will forward to the President in its China safeguard investigation concerning certain steel wire garment hangers from China.

Today's action follows the Commission's January 27, 2003, determinations on market disruption in the investigation. All five Commissioners made affirmative determinations, finding that certain steel wire garment hangers from China are being imported into the United States in such increased quantities or under such conditions as to cause market disruption to the domestic producers of like or directly competitive products.

Chairman Deanna Tanner Okun, Vice Chairman Jennifer A. Hillman, and Commissioner Marcia E. Miller announced that they will propose that the President impose an *ad valorem* tariff for a three-year period on imports of steel wire garment hangers from China. They will propose that such imports be subject to an additional duty of 25 percent in the first year, 20 percent in the second year, and 15 percent in the third year of relief. They further will recommend that, if applications are filed, the President direct the U.S. Department of Commerce and the U.S. Department of Labor to provide expedited consideration of trade adjustment assistance for firms and/or workers affected by the subject imports.

Commissioner Lynn M. Bragg will propose that the President impose an additional tariff for a two-year period on the subject imports. She will propose that such imports be subject to a tariff of 20 percent *ad valorem* in the first year and 15 percent *ad valorem* in the second year.

Commissioner Stephen Koplan will propose that the President impose a 30 percent *ad valorem* tariff on imports of certain steel wire garment hangers for a three-year period. He will further recommend that, if applications are filed, the President direct the U.S. Department of Commerce and the U.S. Department of Labor to provide expedited consideration of trade adjustment assistance for firms and/or workers affected by the subject imports.

The Commission will submit its report to the President by February 18, 2003. The report will include the Commissioners' determinations, views, and remedy proposals. The President, not the Commission, will make the final decision whether to provide relief to the U.S. industry and the type and amount of relief.

The Commission's public report to the President, *Certain Steel Wire Garment Hangers from China* (Inv. No. TA-421-2, USITC Publication 3575, February 2003), will contain the views of the Commissioners and information developed during the investigation. A copy may be requested after March 11, 2003, by calling 202-205-1809 or writing to The Office of the Secretary, 500 E Street SW, Washington, DC 20436. Requests may also be faxed to 202-205-2104.

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Remedy Proposal of Chairman Deanna Tanner Okun,
Vice Chairman Jennifer A. Hillman and Commissioner Marcia E. Miller
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Having earlier determined that certain steel wire garment hangers from the People's Republic of China are being imported into the United States in such increased quantities or under such conditions as to cause market disruption to the domestic industry, we must now propose the amount of import relief necessary to remedy the market disruption.

In this investigation, we recommend the imposition of an *ad valorem* tariff for a three-year period on imports of the steel wire garment hangers from China. We propose that such imports be subject to an additional duty of 25 percent in the first year, 20 percent in the second year, and 15 percent in the third year of relief. A tariff at this level should remedy the market disruption caused by the surge in imports.

Finally, if applications are filed, we recommend that the President direct the U.S. Department of Commerce and the U.S. Department of Labor to provide expedited consideration of trade adjustment assistance for firms and/or workers affected by the subject imports.

REMEDY RECOMMENDATION OF COMMISSIONER LYNN M. BRAGG

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I recommend that a remedy be imposed in the form of an additional tariff for a two-year period, set at 20 percent *ad valorem* in Year 1 of the relief period and declining to 15 percent *ad valorem* in Year 2 of the relief period.

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Commissioner Stephen Koplan's Proposed Remedy Recommendation

On January 27, 2003 the Commission made a unanimous affirmative determination of market disruption with respect to certain steel wire garment hangers from the People's Republic of China. Pursuant to Section 421(f) of the Trade Act of 1974, I am now charged with the responsibility of recommending such action to the President as I deem necessary to remedy the market disruption. In accordance with my responsibility, I am recommending that the President impose a 30 percent *ad valorem* tariff on imports of certain steel wire garment hangers and that such tariff remains in place for three years. I note that this is the Commission's second proceeding under Section 421.

In making my proposal, I have considered such factors as domestic consumption, domestic and foreign capacity, capacity utilization, present and projected demand for certain steel wire garment hangers, substitutability of the imported and domestic like products, pricing, and in particular the material injury to the domestic industry. My proposed remedy is intended to return the quantity of subject imports to their level in the year 2000. As a result, their market share ratio to apparent U.S. consumption should also return to about what it was in 2000. I note that the market share ratio rose from 5.1 percent in 2000 to 12.9 percent in the first nine months of 2002. I have selected the year 2000 as the base year because it preceded the rapid increase in subject imports.

Finally, if applications are filed, I recommend that the President direct the U.S. Department of Labor and the U.S. Department of Commerce to provide expedited consideration of trade adjustment assistance for firms and/or workers affected by the subject imports.