



NEWS

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CONTACT: Peg O'Laughlin
John Greer
202-205-1819

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Inv. No. TA-421-1 (Remedy)

ITC ANNOUNCES REMEDY PROPOSALS IN ITS CHINA SAFEGUARD INVESTIGATION INVOLVING IMPORTS OF PEDESTAL ACTUATORS 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 pedestal actuators.

Today's action follows the Commission's October 18, 2002, determinations on market disruption in the investigation. Three Commissioners made affirmative determinations and two made negative determinations. Under the statute, only those Commissioners who made affirmative determinations were eligible to vote on the remedy proposal.

Vice Chairman Jennifer A. Hillman and Commissioner Marcia E. Miller announced that they will propose a quantitative restriction for a three-year period on imports of the subject pedestal actuators from China. They will propose that such imports be limited to 5,626 units in the first year, with the quantitative restriction to be increased by 15 percent in each remaining year that the remedy is in effect.

Commissioner Stephen Koplan announced that he will propose a quantitative restriction on pedestal actuators imported into the United States from the People's Republic of China in the amount of 4,425 units in 2003; 4,514 units in 2004; and 4,604 units in 2005.

On October 18, 2002, the Commission found that pedestal actuators 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. Vice Chairman Jennifer A. Hillman and Commissioners Marcia E. Miller and Stephen Koplan voted in the affirmative. Chairman Deanna Tanner Okun and Commissioner Lynn M. Bragg voted in the negative.

The Commission will submit its report to the President by November 7, 2002. 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, *Pedestal Actuators from China* (Inv. No. TA-421-1, USITC Publication 3557, November 2002), will contain the views of the Commissioners and information developed during the investigation. A copy may be requested after November 28, 2002, 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.

Pedestal Actuators From China, Inv. No. 421-1
Remedy Proposal of Vice Chairman Jennifer A. Hillman and
Commissioner Marcia E. Miller
October 29, 2002

Having earlier determined that pedestal actuators 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 industry, we must now propose the amount of import relief necessary to remedy the market disruption.

In this investigation, we propose a quantitative restriction for a three-year period on imports of the subject pedestal actuators from China. We propose that such imports be limited to 5,626 units in the first year, with the quantitative restriction to be increased by 15 percent each remaining year that the remedy is in effect. The proposed quota is based on 2001 imports, as adjusted to take into account estimated market growth and to provide for liberalization of the quota over the three-year period. A quota at this level should remedy the market disruption caused by the surge in imports.

PROPOSED QUOTA ON IMPORTS OF PEDESTAL ACTUATORS FROM CHINA

| <u>2003</u> | <u>2004</u> | <u>2005</u> |
|-------------|-------------|-------------|
| 5,626 units | 6,470 units | 7,440 units |

Pedestal Actuators from the People's Republic of China
Investigation No. 421-1
October 29, 2002

Commissioner Koplán's Recommendations on Proposed Remedies

Having determined that a product of the People's Republic of China is being imported in such increased quantities and under such conditions as to cause market disruption to domestic producers of a like product, pursuant to Section 421(f) of the Trade Act of 1974 as amended, I am charged with the responsibility of recommending proposed remedies to the President of such import restrictions as are necessary. After considering a number of factors, I am recommending that the President impose a quantitative restriction on pedestal actuators from the People's Republic of China.

Before discussing the details of my proposal, I note that this is the Commission's first proceeding under Section 421. Therefore, in assessing the market disruption caused by the imports and the action necessary to remediate the disruption, I have reviewed the legislative history that accompanied these provisions. In making my proposal, I have taken into consideration such factors as domestic consumption, domestic and foreign capacity, capacity utilization, present and projected future demand for pedestal actuators, substitutability of the

imported and domestic like products, pricing, and in particular the material injury to the domestic industry.

I view the following proposal as the appropriate, direct, and necessary measure to remedy the market disruption to the domestic producers of pedestal actuators caused by the surge in imports from the People's Republic of China. Accordingly, I recommend that the President impose a quota on imports of pedestal actuators imported into the United States from the People's Republic of China in the amount of 4,425 units in 2003, 4,514 units in 2004 and 4,604 units in 2005.

My recommendation is based on the market share of pedestal actuators imported from the People's Republic of China in 2001, with allowance for a reasonable level of growth based on projected increased domestic demand.

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.