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U.S. GOVERNMENT AGREES TO ACCEPT INDUSTRY'S SAFEGUARD PETITION ON COTTON TROUSERS IMPORTS FROM CHINA -- DECISION ON MERITS OF CASE EXPECTED EARLY IN 2005

The U.S. government's inter-agency Committee for the Implementation of Textile Agreements (CITA) announced late today that it had accepted for review the unified textile/apparel/fiber coalition's threat-based China textile safeguard petition on men's and boys' and women's and girl's cotton trousers (categories 347 and 348).

A Federal Register notice of this decision is expected to be published very shortly, triggering a 30-day public comment followed by a 60-day window during which CITA can make a decision at any time. CITA will also be making decisions over the next two weeks as to whether to accept any, some or all of the other six China safeguard petitions filed so far by NCTO and other coalition members.

National Council of Textile Organizations (NCTO) Chairman Allen Gant released the following statement:

"We are extremely pleased that CITA has accepted for consideration our cotton trousers petition based on the threat of market disruption. This is definitely a good first step. Hopefully, after the 30-day public comment period, the government will then move swiftly to actually approve our petition and impose restraints on Chinese imports in this category. We believe we have a very strong case that should be approved.

There will also be six other petitions we have already filed that the government must decide over the next few weeks whether to accept for consideration, and we are hopeful that they will accept these for review and ultimately approve them as well.

Our industry is looking for our government to approve these petitions and prevent China from taking over virtually the entire U.S. textile and apparel market, at the expense of U.S. jobs. We have a long way to go, and we look forward to working with the government toward this end."

American Manufacturing Trade Action Coalition Executive Director Auggie Tantillo also released a short statement:

"This case and the other cases that we have filed are very strong. The coalition conducted an enormous amount of research in preparation for filing these cases. The evidence we presented was substantial and overwhelming. There is no doubt that China will surge into the U.S. market after quotas expire in 2005. As a result, we are confident that the U.S. government will approve this petition early next year." The value of U.S. production of all trousers, including components exported offshore for re-export to the United States, in 2003 totaled \$8.2 billion. U.S. imports of cotton trousers exceeded \$11 billion during the same time period.

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