

Jim Leonard
 Chairman of the Committee for Implementation of Textile Agreements
 Room 3000 Department of Commerce
 14th and Constitution NW
 Washington, DC

Dear Mr. Leonard:

On behalf of the Domestic Manufacturing Committee (DMC) of The Hosiery Association, I hereby file this petition requesting that the Committee for the Implementation of Textile Agreements (CITA) impose textile safeguard actions under the procedures set forth in Federal Register notice 03-12893 as provided for the Report of the Working Party on the Accession of China to the World Trade Organization (WTO) with respect to sock imports from China. The DMC files this petition on behalf of a majority of the companies manufacturing socks in the U.S.

Product Description

In particular the DMC requests that the U.S. Government establish a specific limit on cotton, wool, and man-made fiber socks, category 332/432/632-part. The specific HTS numbers are 6115910000, 6115926000, 6115929000, 6115936010, 6115936020, 6115939010, 6115939020, 6115991410, 6115991420, 6115991810, and 6115991820.

IMPORT DATA: World and China Imports and China Share of Imports

A. Quantity of US imports from World and China (1998-5/03): dozen pairs

Note that China sock imports have increased very dramatically since man-made fiber socks were integrated into the ATC after 12/31/01. Additionally, while world imports were up 25.5% from YTD 5/02 to YTD 5/03, **China imports increased by 510.2%** in the same time period.

Annual and Year-To-Date Data

	1998	1999	2000	2001	2002	YTD 5/02	YTD 5/03
World	39,096,079	58,245,786	77,738,281	90,030,016	121,239,356	42,194,071	52,940,787
China	512,062	457,621	499,514	888,411	5,822,120	966,613	5,898,709
China Share*	1.31%	0.79%	0.64%	0.99%	4.80%	2.29%	11.14%

*China Share of US Imports

Quarterly Data

	First Quarter '02	Second Quarter '02	Third Quarter '02	Fourth Quarter '02	First Quarter '03
World	22,495,754	30,794,544	36,282,532	31,666,526	29,680,843
China	392,896	985,791	2,452,009	1,991,424	2,554,908
China Share	1.7%	3.2%	6.76%	6.29%	8.61%

Note: Data for the above charts collected from the US Department of Commerce, the US Treasury, and the US International Trade Commission. <http://dataweb.usitc.gov>

Domestic Production Numbers and Market Share Data

B. US production data: dozen pairs

	1998	1999	2000	2001	2002
US Production – quantity	233,248,000	212,722,000	221,967,000	206,500,000	164,442,051
% Change	---	-8.8%	+4.35%	-6.97%	-20.4%
US Consumption	272,426,863	271,044,985	299,815,133	296,657,743	285,681,407
Imported Socks	39,096,079	58,245,786	77,738,281	90,030,016	121,239,356
Domestic market share - All imports	14.35%	21.49%	25.93%	30.35%	42.44%
DMS – Chinese Imports	0.19%	0.17%	0.17%	0.30%	2.04%
DMS – US production	85.65%	78.51%	74.07	69.65	57.56%

Note: Data for years 1998-2001 collected from The Hosiery Association survey of the Hosiery Manufacturers. 2002 data calculated from statement made by Marshal Cohen, head of the hosiery division of NPD Fashion World, noting that retail sales of socks in 2002 were down 3.7% overall from 2001. Therefore 296,657,743 (2001 quantities sold) minus 3.7% equals 285,681,407 dozen pairs consumed. 285,681,407 minus 2002 imported socks from chart A (121,239,356 dozen pairs) equals 164,442,051.

The following Nation Employment chart dramatically illustrates the declining number of sock plants, the declining number of sock production employees, and the declining number of hours worked by those employees.

C. National employment: Thousands of employees
Average weekly hours of production workers
Number of establishments

	1997	1998	1999	2000	2001	2002	YTD 4/02	YTD 4/03
US Employees	27.3	26.4	25.6	24.6	22.3	19.8	20.15	18.35
Hours Worked	41.2	41.3	40.2	40.3	38.0	37.6	36.88	37.35
Establishments	480	468	464	458	319	---	---	---

Note: Data for this chart (C) collected from the US Department of Labor.

As evidenced by the charts above, sock imports from China are inundating the US market and resulting in decreased US production and displaced American workers.

Also attached is an economic analysis of the importance of the sock industry to the regional economy of the Fort Payne Alabama area, including Dekalb and surrounding counties, where 7,305 sock manufacturing jobs representing \$186 million of income are at risk from the imported sock surge from China and other countries.

Sincerely,

Charles Cole
Chairman USADMC of THA