



# INFORMATION



## on textile tariff investigations

### ABOUT THE CANADIAN INTERNATIONAL TRADE TRIBUNAL

The Canadian International Trade Tribunal (the Tribunal) is an independent administrative tribunal operating within Canada's trade remedies system. It is a quasi-judicial body that reports to Parliament through the Minister of Finance (the Minister).

One of the responsibilities of the Tribunal is to investigate requests from domestic producers for tariff relief on imported textile inputs that they use, or plan to use, in their manufacturing operations. The Tribunal makes recommendations on whether or not to grant the tariff relief in a report to the Minister.

In order to assist domestic producers who may wish to make requests for tariff relief on imported textile inputs, the Tribunal has prepared a publication entitled "Textile Reference Guide."

### LEGISLATIVE BACKGROUND FOR TEXTILE TARIFF INVESTIGATIONS

The *Canadian International Trade Tribunal Act* (the CITT Act) provides authority for the Minister to direct the Tribunal to conduct an inquiry on any tariff-related matter. In July 1994, the Minister asked the Tribunal to investigate requests from domestic producers for tariff relief on imported textile inputs that they use, or plan to use, in their manufacturing operations. The Tribunal was also directed to make recommendations regarding these requests to the Minister within 120 days. However, if the Tribunal determines that critical circumstances exist that would cause harm if action is not taken sooner, the Tribunal may make recommendations within a shorter time frame.



## TEXTILES INVOLVED

Domestic producers who are using, or plan to use, imported textile inputs for production may apply for tariff relief. These inputs include a variety of fibres, yarns, fabrics and other materials used to produce goods in Canada.

## SCOPE OF TEXTILE INPUTS

- fibres, yarns and fabrics of Chapters 51, 52, 53, 54, 55, 56, 58, 59 and 60
- certain monofilaments or strips and textile and plastic combinations of Chapter 39;
- rubber thread and textile and rubber combinations of Chapter 40; and
- products of textile glass fibres of Chapter 70.
- Exclusions: some products, such as certain knitting yarns, are not covered by the reference, at least until January 1, 1999. For more information on this issue, please contact the Secretary of the Tribunal.

*References to Chapters are from Schedule I to the Customs Tariff*

## TYPES OF RELIEF AVAILABLE

The Tribunal has many options in recommending tariff relief. It can recommend complete or partial reductions of applicable tariffs. Recommended relief can apply to partial, complete or several tariff lines, or be restricted to certain companies, textile inputs or end uses. The recommendation could be for either a specific or an indeterminate period of time.

## TRIBUNAL PROCESS

This process starts with the filing of a request for tariff relief. A properly documented request and any other information required by the Tribunal to commence an investigation can be filed by the requester. However, a requester may choose to be represented by counsel. More than one request may be filed at the same time, but each request must be complete and self-contained.

## ***Starting the Investigation***

When the Tribunal receives a request and before commencing an investigation, it will issue a brief electronic notice on its Web site containing the name of the requester, date of request, description of textile input and end use as well as tariff item number. The Tribunal begins its investigation when it is satisfied that a request contains all the information required and there is a clearly defined product to be investigated. Samples of the textile input in question must also be submitted. These samples are forwarded to the Department of National Revenue (Revenue Canada) laboratories to confirm the correct description of the product, as well as the tariff heading, before the request is considered properly documented and an investigation commenced.

Once the Tribunal is satisfied that the request is documented properly, the Tribunal sends a notice of commencement of investigation to the requester and all known interested parties. In addition, it informs appropriate government departments or agencies, such as Revenue Canada, the Department of Foreign Affairs and International Trade, the Department of Industry and the Department of Finance. The notice is also published in the Canada Gazette, Part I.

## ***Participation by Interested Parties***

Interested parties receive notice of the request and can participate in the investigation. Interested parties include domestic producers, certain associations, competitors of the requester, suppliers of textile inputs that are identical or substitutable for the imported textile input and downstream users of goods produced from the imported textile input. In general, interested parties are those whose rights or economic interests may be affected by the Tribunal's recommendations.

## ***Investigation***

To prepare a staff investigation report, the Tribunal may gather information through plant visits or questionnaires which must be returned by a specified date. Information is obtained from the requester and interested parties, such as a potential domestic supplier of identical or substitutable textile inputs, to determine whether the tariff relief sought will maximize net economic gains for Canada.

## ***Confidential Information***

A party submitting confidential information must provide the Tribunal with a public version of this information or reasons why this confidential information cannot be summarized in a public version. Where confidential information is provided to the Tribunal, it falls within the protection of the CITT Act. The Tribunal will distribute confidential information only to independent counsel who are acting on behalf of a party and who have signed a declaration and undertaking not to disclose confidential information.

## ***Hearing Stage***

In most circumstances, a public hearing is not required, and the Tribunal disposes of the matter on the basis of the full written record, including the request, the staff investigation report and all submissions and evidence filed with the Tribunal. However, a party may request that the Tribunal hold a public hearing.

## ***Opportunities for Comment***

The Tribunal makes its investigations as open as possible to encourage full participation. When the requester or an interested party files a notice of appearance, it becomes a party to the proceedings. All parties have a full opportunity to participate in the investigation, including the right to file submissions and evidence with the Tribunal.

Any submission or response must be served on all parties to the proceedings and be submitted within specified deadlines.

## ***Issuing Recommendations***

The Tribunal generally issues its recommendation, with reasons, to the Minister within 120 days from the date of commencement of the investigation. To be consistent with its terms of reference from the Minister, the Tribunal will only recommend tariff relief on a textile input where it will maximize net economic gains for Canada.

## **REVIEW PROCESS**

Where the Minister has made an order for tariff relief pursuant to the recommendation by the Tribunal, certain domestic producers may ask the Tribunal to commence an investigation to recommend the renewal, amendment or termination of that order. A review will be warranted where the Tribunal is satisfied that there is a reasonable indication of a change in the circumstances that led to the initial recommendation. Such a review will not usually be initiated within one year after implementation of the tariff relief. A request should contain the grounds on which the domestic producers believe that an investigation is warranted and a statement of the facts on which the grounds are based.

On receipt of a request, the Tribunal will give parties to the original investigation an opportunity to comment on the need for a review. The Tribunal then decides whether an investigation is warranted. The procedures in a review process are similar to those in the initial investigation in which a recommendation for tariff relief is made.

## **INTERACTING WITH THE TRIBUNAL**

This document is one of a series which describes the work of the Tribunal. Others in the series include:

- Introductory Guide on the Canadian International Trade Tribunal
- Information on Dumping and Subsidizing Inquiries and Reviews
- Information on Appeals from Customs, Excise and SIMA Decisions
- Information on Procurement Review

These documents provide general information only. When interpreting and applying the law, readers should refer to the CITT Act, its Regulations, the statutes that the Tribunal administers and the *Canadian International Trade Tribunal Rules*.

The Office of the Secretary of the Tribunal will provide more detailed information on the handling of individual cases. For more information, dial **(613) 993-3595**.

**Internet, Bulletin Board Service and Factsline**  
**24 hours a day, 7 days a week**

The Tribunal operates a Web site on the Internet. The site provides general information about the Tribunal, publications of the Tribunal, as well as notices, appeal decisions, advices, findings, orders, statements of reasons, procurement review determinations and textile recommendations. The Tribunal's Web site address is **www.citt.gc.ca**.

The Tribunal also operates an electronic bulletin board service (BBS) containing the following publications: notices, appeal decisions, advices, findings, orders, statements of reasons, procurement review determinations and textile recommendations. Dial either **(613) 990-7605** or **(613) 993-0722**.

The Tribunal's Factsline also makes available the publications listed above. This service can be accessed by dialing **(613) 956-7139** using a telecopier telephone and requesting document 1196, which is an index of the documents available.

**THE BULLETIN**

In addition to the Web site, the BBS and the *Factsline*, the Tribunal publishes the *Bulletin*. This quarterly report provides brief descriptions of decisions issued, cases under consideration, appeal withdrawals, notice of hearings and other information about cases appealed or referred to the Tribunal. To be added to the mailing list, dial **(613) 993-3595**.

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