

Amrik Galleries

June 23, 2004

Mr. Ronald Lorentzen
Acting Director, Office of Policy
Import Administration
Room 3713
Department of Commerce
14th Street and Constitution Ave., NW
Washington, DC 20230

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DEPT. OF COMMERCE
IMPORT ADMINISTRATION

Dear Sir;

We would like to issue our comments on the work of the Unfair Trade Practices Task Force.

As a family owned business dedicated to the importing of home Furnishings we feel that the actions proposed by the committee is in fact helping to **assassinate** smaller importers. The proposed anti dumping suit was initiated by a **FEW** U.S. manufacturers. It seems that the effort of the Department of Commerce is to help create jobs in the manufacturing sector, but at the same time you are **eliminating** the same number of jobs by restricting the free trade rights of importers, which will ultimately challenge the survival of their business. The true benefit of the anti dumping laws would be seen only by those few manufacturers that had originally brought the suit.

At the current proposed tariff rate of 198%, it is impossible for importers to maintain their current established relationship with their overseas vendors. Helping the manufacturers accomplish their goal!

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Below are some of the issues I feel the commerce department has overlooked:

- Before we started importing furniture, we worked with many of the large U.S. furniture manufacturers. Many of the companies tried to impose **similar** “maximum” discount that they allowed dealers to offer the final consumers, which translated into, an Organized Monopoly/Price Fixing. This clearly killed the possibility of competitive pricing, by restricting free trade. Due to these restrictions many retailers including our Company started to import goods and bypass the US manufacturers. Many of the **same** manufacturers would import furniture components from China and assemble and finish them here in the US, in turn saying that the goods are of U.S. origin, when in fact they are technically not!
- The issue at hand is not the U.S. jobs, but rather these few manufacturers are trying to regain control of the market that they have lost over the years. Now I am blown away by the fact that the Department of Commerce is helping these few remaining US furniture Manufacturers to establish a new tactic to **reestablish** their Organized Monopoly. Do these companies produce 100% of their product line domestically?

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- Having an “A” list of vendors has its own foreseeable problems such as importers flocking to the doors of these key vendors that are now on the “A” list.

- Many of the previous U.S. furniture manufacturers have either down sized their domestic operations or closed them entirely. These companies have already started to move their production out of China and into other furniture producing Countries such as Vietnam, Indonesia, Thailand, or the Philippines. Again, their actions demonstrate that **Nerw U.S. manufacturing jobs will not be created** in the numbers that the Department of Commerce is striving for. Why would they open factories here in the U.S. again, when they have better overseas profits. I think that it is naive to think that suddenly we will have new furniture manufacturing plants opening. The only true change will come in the form of increased imports from countries other than China. Only the smaller businesses, like us, which seem to make up the majority of the US economy, will be detrimentally affected. We do not have the resources to quickly move our manufacturing to other countries like the “big boys” . That means a drastic drop in our sales in a very short period of time.

- The Commerce Department has an obligation **AT THIS MOMENT IN TIME** not to keep the industry in a limbo. If in fact any decisions are to be made on the tariff

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amounts, then they should establish a date that the tariffs will be effective. As an entrepreneur we have hundreds of thousands of dollars in deposits with

- factories. Goods are in production and I cannot put a halt overnight to the business that has taken my family decades to establish.
- Again, the lack of information and sufficient time to have our suppliers comply with possible guidelines by the Department of Commerce only demonstrates that the selected key Manufacturers are being fiercely protected at the expense of all other businesses.
- One key factor that I have not seen mentioned in any of the literature is the final **Consumer**. In a challenged economy where the strong housing market has helped furniture sales will also be challenged. Consumers will now have to pay up to 200% more to simply purchase a new bedroom group. How strong does the Department of Commerce feel the furniture market will be in one year from their decision?
- By establishing clear and manageable timelines companies can try to determine their own fate. How can the Department of State even entertain the idea of retroactive duty,

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as eluded by customs? This possibility has created tremendous personal stress, as well as a possible unforeseeable bankruptcy.

One final thought, I am hopeful that after thorough review of all the facts, the Department of Commerce will make the decision that is beneficial to the ALL U.S. businesses, not a selected handful, as well as the forgotten Consumer. I am sure that the Department will be able to peel away the multi layers that affect this web.

The few Manufacturers that have brought this action forward are simply trying to bully their way back to dictating How, What and How Much to dealers and ultimately the final consumer. If the U.S. job market was their true underlying factor I would be all for it!

Thank You for your attention to these comments.

Sincerely;



Ms. Anoush Hendiazad

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