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One Lump or Two: Unitary Versus Bifurcated Measures of Injury at the USITC

**Kenneth H. Kelly
and
Morris E. Morkre**

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at the USITC**

by

Kenneth H. Kelly
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Morris E. Morkre*

ABSTRACT

The most popular methodology used by the U.S. International Trade Commission (USITC) from 1989 through 1994 to determine whether unfairly traded imports injure competing domestic industries was known as the bifurcated approach. Injury determinations based on this approach have been rejected by reviewing bodies because the methodology does not distinguish injury caused by unfairly traded imports from other demand or supply changes. We estimate injury to the domestic industry due to changes in unfairly traded import price and to other causes for 44 USITC dumping and/or subsidy investigations. Change in unfairly traded import price was typically not the most important cause of injury to the domestic industry.

