

## USW Requests Appearance Before USTR on China Tire Imports Remedy

PR Newswire

July 27, 2009

### **Public hearing Aug. 7 becomes last step in recommendation to President**

WASHINGTON, July 27 /PRNewswire-USNewswire/ -- The United Steelworkers (USW) has requested an appearance before the U.S. Trade Representative (USTR) public hearing scheduled Aug. 7 in the final step of a trade case in which the U.S. International Trade Commission (ITC) has determined that surging low cost consumer tire imports from China have damaged the domestic industry with lost jobs and factory shutdowns.

The USW advocates strong enforcement of a U.S. trade law at a timely moment during the opening by President Obama of the U.S.-China Strategic and Economic Dialogue in Washington.

Last month, a majority vote of the ITC found that tariff relief was needed to urgently reduce tire imports. Evidence showed more than 5,100 domestic consumer tire production jobs were lost between 2004-08 by the flood of Chinese tire imports that undersold producers in the U.S. and caused market disruption. An additional 3,000 jobs have been announced as being eliminated by tire plant closures by the end of this year.

USW President Leo W. Gerard said, "Our nation's job loss numbers at tire factories dramatically understate the impact China's flooding imports have caused in the communities where our represented workers live. The consequences of lost tire production jobs have extended to many thousands of other jobs in supporting industries and suppliers that have also been lost."

The ITC commissioners who found market disruption, unanimously recommended that tariffs be placed across the board on passenger and light truck tires from China -- 55 percent in year one, 45 percent in year two and 35 percent in year three.

According to the submission filed with the USTR, the USW will be asking the U.S. interagency group reviewing the remedy to be recommended to President Obama that the ITC proposal should be supported. In addition, the USW wants the remedy modified upwards - above the 55 percent duty advocated by the trade commission in the first year.

Gerard explains, "We are urging a higher tariff in the first year so U.S. tire workers get the full relief intended to prevent the undermining of any frontloading of inventories by importers or Chinese exporters who are dumping higher volumes of imports prior to the Sept. 17, 2009 decision deadline by the President." The USW president adds, "Undermining the ability of the proposed remedy to correct market disruption in the first year is unacceptable."

Under the Section 421 trade law provision for this case, the effective date of any remedy provided by the President would be Oct. 2, 2009.

Consumer tire imports from China during 2004-08 have increased 215 percent by volume. Chinese tire producers have submitted to the trade commission that projected additional growth in exports

to the U.S. in 2009-2010 would be up an additional eight million tires from the 46 million tires imported from last year.

USW data for 2004-08 shows the domestic industry has suffered massive injury. Capacity by the tire companies is down 17.8 percent, and production is down by 26.6 percent. Employment has been reduced by 14.2 percent along with reductions in hours worked and wages paid. Net domestic sales were down 28 percent.

As pointed out by the USW, the ITC commissioners who voted on the remedy were unanimous that there would be little adverse effect on U.S. consumers from their recommended remedy.

Gerard noted studies done by communities with tire plants that have been at risk have estimated the loss to the community from a tire plant closing are as much as \$1 billion and the total job losses are a multiple of those at the plant. He said these studies were not done as part of the 421 case, but by economic development agencies to understand the possible effects from losing a major employer.

In a bipartisan letter on the China tire trade case sent to the President on July 16 by eleven U.S. Senators including Lindsay Graham (R-SC), Richard Burr (R-SC), Arlen Specter (D-PA), Debbie Stabenow (D-MI) and Blanche Lincoln (D-AR), all calling for adoption of the ITC's recommendations. They wrote: "Across the country, Americans are increasingly frustrated with the impacts of unfair trade practices on working families. The Section 421 case is an important test case in that regard and an important step in regaining the public's confidence in trade liberalization."

Last Friday, U.S. Sen. Sherrod Brown said: "It's time for actions that benefit American workers and businesses that protect consumers. It's time for the administration to support the 'Section 421' case on certain Chinese tire imports."

For more information on the USW's Section 421 trade case against Chinese tire imports:  
[www.usw.org/tires](http://www.usw.org/tires)

SOURCE United Steelworkers (USW)

Published Jul. 27, 2009

Copyright © 2009 SYS-CON Media, Inc. — All Rights Reserved.

Syndicated stories and blog feeds, all rights reserved by the author.