



INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - UAW

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IN REPLY REFER TO

July 24, 2009

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Eric G. Altbach
Deputy Assistant
United States Trade Representative
for China Affairs
600 17th Street, NW
Suite 401
Washington, D.C. 20508

Re: UAW Comments on Proposed
Restrictions With Respect to
Imports of Chinese Tires

Docket No: USTR-2009-0017

Dear Mr. Altbach:

The U.S. International Trade Commission recently presented a report to the President on the surge of passenger vehicle and light truck tires from China pursuant to a petition from the United Steelworkers (USW) under Section 421 of the Trade Act of 1974. The report included a recommendation to impose tariffs over a three-year period. The International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (UAW) supports the ITC's finding and recommendations and urges the President to grant the recommended relief.

Section 421 was created for a good reason. Trading nations expected that there would be injurious market disrupting surges when China entered the World Trade Organization while still in a period of economic transition. The United States and other countries, with China's explicit agreement, adopted this safeguard in order to provide relief to domestic producers and workers injured by surging imports that cause market disruption.

On four separate occasions the Bush administration rejected applying any remedy when the ITC recommended import relief for industries adversely affected by import surges. The UAW believes the Obama administration should seize the opportunity presented by this Section 421 case to enforce the law and thus help to restore the confidence of American workers that they will have a fair chance to compete. Indeed, President Obama told to the American Chamber of Commerce-China during the campaign, "I will take a vigorous, pragmatic approach to addressing [trade issues with China], utilizing our domestic trade remedy laws as well as the WTO's dispute settlement mechanism wherever appropriate."

The UAW urges the President to recognize that this case is not only an appropriate use of our trade remedy laws, it is essential to creating a more just and sustainable trade policy.

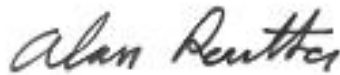
As you know, UAW members have struggled recently with job losses resulting from the unprecedented contraction in the economy and the resulting decline of U.S. manufacturing capacity. Enforcing U.S. trade remedy laws is essential to stop the loss of even more domestic manufacturing capacity. We strongly urge President Obama to make good on his pledge, reiterated recently by Ambassador Kirk, to make enforcement a “centerpiece” of U.S trade policy and not “an afterthought.”

The ITC scrutinized the data and testimony in this case and concluded in a 4-2 vote that the surge in Chinese passenger and light truck tires had caused injurious market disruption in the domestic tire production sector. With that matter settled, and in order to prevent additional job losses, the majority recommended that the President add tariffs on imports of these tires for three years, with a 55 percent tariff for the first year, 45 percent in the second year and 35 percent in the third year. The UAW firmly believes that such a remedy is absolutely necessary to enable the domestic tire industry to get back to a level of profitability in the short term and give it the opportunity to remain a viable part of American manufacturing.

Trade remedies are useless if they are not applied as intended. Thousands of tire industry workers and workers in related sectors that support the domestic tire industry are aware that an effective remedy must be put in place, precisely as the ITC has recommended. This would signal the start of a more balanced trade policy in which American workers will have the chance to benefit.

For all of the foregoing reasons, the UAW urges the President to grant the relief recommended by the ITC to impose tariffs on tires imported from China.

Respectfully submitted,



Alan Reuther
Legislative Director

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