

Date

The Honorable Ron Kirk
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Re: U.S. International Trade Commission Remedy Proposal
Certain Passenger and Light Truck Tires from China
Inv. No. TA-421-007

Dear Ambassador Kirk:

We are writing to express our concern over the potential impact to the American economy should the Administration decide to impose artificial limits on imports of tires.

We have long advocated vigorous enforcement of our trade laws. We believe strongly that American workers can compete with anyone in the world, if the playing field is level. For far too long, China and other nations have flouted trade rules to gain a competitive advantage at the expense of American families.

But in the case of imported tires cited above, there is no allegation of unfair trade. In this instance, the petitioner is seeking a safeguard measure to temporarily protect the U.S. industry from import competition. Remarkably, not a single U.S. tire manufacturer has asked the Administration for this relief, and no tire manufacturer has indicated they would shift production of less-expensive tires back to the United States in response to imposition of the safeguard. Ironically, imports of the subject tires have fallen 15% this year, undercutting any rationale for imposing import restrictions.

Limiting imports of affordable tires will have a number of negative consequences for the American economy. Such limits would put thousands of American jobs at risk in independent, family-owned tire dealers across the country. These U.S.-owned businesses employ far more Americans than those represented by the petitioner. Although these dealers typically sell more expensive American-made and imported tires, they must also rely on lower-priced imports to supply the many American consumers who need access to more affordable tires.

We are also concerned that raising tire prices could cause cash-strapped drivers to defer tire purchases, placing innocent drivers at risk. And lastly, in a recession, we should enforce our trade laws vigorously while resisting protectionism. Limiting imports of fairly traded goods through taxes or quotas will only undercut the Administration's efforts to keep foreign markets open to U.S. exports.

We empathize with displaced tire workers. The recession and the plight of the U.S. auto industry has hit tire workers hard. For this reason, the Administration should devise a solution that helps U.S. workers and the U.S. tire industry in the long run. Any assistance should facilitate Trade Adjustment Assistance to tire industry workers and help U.S. workers and companies prepare for the future, not try to turn back the clock or encourage increased imports from Latin America and other tire-producing countries. Research and development assistance can emphasize America's strengths in education and technology, and can promote innovation for a more modern, more competitive tire industry.

The Administration should fashion an assistance package designed to ensure a more level playing field between Chinese and U.S. tire workers, e.g., an agreement to accept a code of best practices, committing to the enforcement of core labor and environmental standards in Chinese tire plants.

In sum, temporary tariffs or quotas on tire imports would impose substantial burdens on the U.S. economy and hurt consumers while doing little if anything to help American industry or workers. For these reasons, we urge you to reject the USITC proposed remedies and work directly with all involved parties to fashion a more productive and forward-looking solution.

Thank you for your time and consideration of this matter. We look forward to your positive response.

Sincerely,