

COMMITTEE TO SUPPORT U.S. TRADE LAWS

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September 1, 2009

VIA FACSIMILE AND MAIL

The Honorable Barack Obama
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

This September you will determine what import relief to provide in response to a petition brought by the United Steelworkers union on imports of passenger and light truck tires from China. The petition was brought under Section 421 of Trade Act of 1974. The independent and bipartisan International Trade Commission found that imports of such tires have increased rapidly, thus causing injury to the domestic industry. The Commission recommended specific tariff relief for three years to remedy that injury.

We write to underscore both the importance of Section 421 as a legitimate trade remedy, and to respectfully urge its application in appropriate cases. Campaign promises should be fulfilled and effective enforcement action taken to provide full relief where merited. This case is being watched closely to see whether Section 421 is an effective law or a dead issue.

Section 421 was enacted as a condition for China's entry into the World Trade Organization because WTO Members, including the United States, were concerned that the severe economic distortions in China's economy – distortions that would take years to address – could readily result in damaging import surges once China acceded to the WTO. Consequently, the United States insisted on the ability to obtain relief through a China-specific safeguard mechanism so that U.S. industries and workers would not have to bear the brunt of China's transition to a market-based economy. By design, then, Section 421 was meant to be used precisely to mitigate the harm occurring when imports surges from China cause market disruption here in the United States.

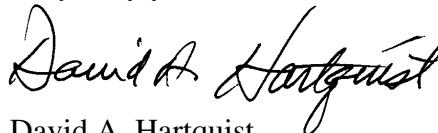
This is confirmed, for example, by a statement made by the then Commerce Secretary, William Daley, who testified before Congress that the safeguard was intended to address issues raised by “the high degree of government involvement in the Chinese economy, and by industrial policy measures, such as local content, offsets, export performance, and forced technology transfer requirements.” Eight years after China's accession, it has been demonstrated again and again that China continues to engage in harmful trade-distorting practices, including massive import surges, as found in this case by the International Trade Commission to have caused market disruption.

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While other countries have invoked China-specific safeguards to provide relief from Chinese import surges, the previous Administration refused to do so, despite numerous recommendations from the International Trade Commission that relief was merited. We urge you to take a different path. Congress intended a presumption in favor of providing relief in cases, like this one, where market disruption has been found. Strong enforcement will send the much-needed signal to China that the United States will uphold the rule of law in the trade arena and will also tell the American people that you will fulfill your campaign promise to fully enforce U.S. trade laws – including laws against dumping, subsidies and injurious import surges – and provide relief to American producers and workers when those laws are violated.

CSUSTL is an organization of companies, trade associations, labor unions, workers, and individuals committed to preserving and enhancing U.S. trade laws. CSUSTL's members span all sectors, including manufacturing, technology, agriculture, mining and energy, and services. CSUSTL is dedicated to ensuring that the unfair trade laws are not weakened through legislation or policy decisions in Washington, in international negotiations, or through dispute settlements at the World Trade Organization and elsewhere.

Very truly yours,



David A. Hartquist
Executive Director

Enclosure (list of supporting CSUSTL members)

The Committee to Support US Trade Laws (CSUSTL) and the following member organizations endorse the positions set forth in the attached document:

AFL-CIO
Allied Tube & Conduit
Amalgamated Sugar Company
American Coke & Coal Chemicals Institute
American Corn Growers Association
American Fiber Manufacturers Assn.
American Furniture Manufacturers
Committee for Legal Trade
American Iron and Steel Institute
American Maritime Officers
Ameristeel Bright Bar
AMT-Association for Manufacturing
Technology
Anvil International
Associated Industries of Massachusetts
Carause Lime & Stone
Carpenter Technology Corporation
California Fresh Garlic Producers
Association
California Cut Flower Commission
Candle-Lite Division of Lancaster
Colony Corp.
Chicago Fire Brick Division of Allied
Mineral Products, Inc.
China Currency Coalition
Cleveland-Cliffs, Inc.
Coalition for Fair Lumber Imports
Cold Finished Steel Bar Institute
Committee on Pipe & Tube Imports
Communications Workers of America
Copper & Brass Fabricators Council
Corey Steel Company
Crawfish Processors' Alliance
Dakota Resource Council
Fair Atlantic Salmon Trade
Falcon Foundry
Fleming, Chuck F. (North Dakota
Agriculture Committee)
Floral Trade Council
Florida Farmers, Inc.
Florida Fruit & Vegetable Association
Florida Tomato Exchange
Flower Growers of Puget Sound
FMC Corporation
Globe Metallurgical Inc.
Independent Cattlemen of Texas
Industrial Heating Equipment Association
Industrial Packaging Alliance of NAS
Int'l Brotherhood of Electrical
Workers
JIT Terminal, Inc.
Johnson, Roger (North Dakota Agriculture
Committee)
Kansas Cattlemen Association
Krueger Steel and Wire Co.
Kuster, Louis (Farmer)
Lake Carriers' Association
Libbey, Inc.
LMP Steel & Wire Company
Lumi-lite Candle Co., Inc.
Manufacturers for Fair Trade
Micron
Milwaukee Wire
Montana Cattlemen's Association
Municipal Castings Fair Trade Council
National Candle Association
National Cotton Council
National Council of Textile Organizations
National Farmers Organization
National Farmers Union
National Lime Association
National Textile Association
Nelsen Steel Company LP
Nevada Livestock Association
NewPage Corporation
New Process Steel
North Dakota Farmers for Profitable
Agriculture
Nucor Corporation
PMC Specialties Group, Inc.
Polyethylene Retail Carrier Bag Committee
R-CALF United Stockgrowers of America
Safelite Glass Corp.
South Dakota Stockgrowers' Association

Southern Shrimp Alliance
Southern Tier Cement Committee
Soybean Producers of America
Specialty Steel Industry of North America
Steel Manufacturers Association
Stupp Bros. Bridge & Iron Company
Sunblest Mgmt. LLC
Thoeny Farms, Inc.
Thompson Steel Company, Inc.
United Steelworkers
U.S. Beekeepers
U.S. Business & Industry Council
U.S. Steel
Vaughn-Bassett Furniture Company
Village Farms
Ward Manufacturing, Inc.
Western Organization Resource Council