

TESTIMONY OF REP. ROBERT B. ADERHOLT  
4<sup>TH</sup> DISTRICT OF ALABAMA

U.S. INTERNATIONAL TRADE COMMISSION

INVESTIGATION NO. TA-421-7

CERTAIN PASSENGER VEHICLE AND LIGHT TRUCK TIRES FROM THE  
PEOPLE'S REPUBLIC OF CHINA

JUNE 2, 2009

Madame Chairman, members of the Commission. My name is Robert Aderholt and I represent the people of the 4th Congressional District of Alabama. I testify today to express my support for the Section 421 petition before you. I know you will examine the data in the record carefully and I am hopeful you will conclude that import relief is needed.

The United States has been the world's leading proponent of the idea that trade should be as free as possible. Yet free trade is possible only if everyone observes the rules governing it. When other countries do not follow these rules, the effects on the lives of ordinary Americans can be devastating.

Tire manufacturing is very important to my state. Not long ago, four factories in Alabama together employed about 4,500 men and women, but that number has begun to shrink. In April, it was announced the B.F Goodrich plant in Opelika, Alabama would close, at a cost of about 1,000 jobs. My Congressional district is home to the Goodyear Tire and Rubber Company, which employs more than 1,200 workers and has been in operation over 80 years.

Over the past several years, this plant and the entire domestic tire industry has faced growing competition from imports of passenger and light truck tires from countries

whose governments do not follow the same level of labor, environmental, and trade laws as is true for manufacturers in the United States. Domestic tire producers are unable to compete with the surge of dumped and subsidized imports that began entering the U.S. market after China's acceptance into the World Trade Organization. Section 421 was created to give workers and companies a chance to stay on their feet and adjust when surges of foreign goods pose a swift and potentially fatal threat.

As a condition of acceptance into the WTO, China agreed to the Section 421 remedy and that agreement should be upheld. The law was designed to "allow U.S. industries and workers to obtain product specific import relief from sharp increases in imports from China as that country transitions from a non-market economy to a market economy", and I can think of no better example than the one here before us today.

China was the largest source of consumer tire imports in 2008, with a 28.5% increase in Chinese pneumatic tires from the previous year. Total imports of consumer tires from China increased from 2004 to 2008 by 215% in volume. Such a drastic increase in Chinese exports to the U.S. is causing market disruption in the domestic tire industry. The tangible measurement of this trend is the shuttered plants and idled workers around the country. U.S. workers, including many Alabamians, face the prospect of job losses if the current trade laws are not enforced.

While previous Section 421 decisions have not been favorable to domestic producers, I am hopeful that the new President, his administration, and other trade representatives will look at the facts and propose a prompt solution. I urge you to rule favorably on this petition and to adopt a remedy that will strengthen America's tire

manufacturing industry and ensure that U.S. workers continue to produce quality tires for generations to come.