

TESTIMONY OF SEN. ROBERT P. CASEY, JR. OF PENNSYLVANIA

BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION

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

INVESTIGATION NO. TA-421-7

JUNE 2, 2009

Thank you Chairwoman Aranoff, Members of the Commission. I am pleased to have this chance to come before you today on behalf of workers employed in the domestic tire industry in Pennsylvania. I would also like to acknowledge a group of students here today from Elizabethtown College, located in Pennsylvania. I appreciate their interest in the topic and welcome them to today's proceedings.

Pennsylvania has a unique and leading role in the industrial history of the United States. Its citizens are hard-working, resilient, and ready for new challenges and opportunities. I am proud to represent some great workers from Indiana, Pennsylvania at today's hearing. All they ask for is a chance to compete on a level playing field so that they can provide the same opportunity to their children as their parents did for them.

Indeed workers across America are justified in expecting that their government take the steps necessary to restore a level playing field in international trade. I am grateful that the United Steelworkers filed the Section 421 petition before you today. In fact, Leo Gerard, International President of the United Steelworkers, is here to testify. I commend him and the Steelworkers for their work on this issue. The union is making a stand for all American workers and our country's manufacturing base.

Today I want to express my support for the workers at the Specialty Tires of America facility in Indiana, Pennsylvania. The plant has been there since 1915 and has changed with the

times, making tires for a wide variety of applications, including light truck tires, and employing 300 workers. Specialty Tire also produces passenger car tires in its plant in Unicol, Tennessee, so the company's stake in this investigation is not limited to light truck tires.

The workers in Indiana, like other parts of our state, share a heritage of hard work and sacrifice. They value their important role in building the American economy. Pennsylvania has played an important role in America's manufacturing and commercial history. The coal and waterways of our state helped make Pittsburgh legendary for steelmaking and helped turn the United States into an industrial powerhouse. But times have changed. The mills are mostly gone, due in part to trade policies. In fact, over 190,000 high wage, high skill manufacturing jobs have been lost since 2001. I attribute some of those job losses to the failure of the previous Administration's trade and competitiveness policy. We have seen trade deficits soar, currency manipulation go unchecked, lavish subsidies by foreign governments go ignored, and exploitation of workers in other countries go overlooked.

I don't want to see Indiana and towns like it in other states harmed yet again from a lack of enforcement of trade rules. One reason why so many of my constituents have grown skeptical about trade is because they believe there has been a failure to enforce the rules designed to make free trade fair trade. I understand their skepticism. If our trading partners are not required to comply with the internationally agreed upon rules of trade, we will continue to lose jobs and industries. I hope the Obama Administration will go in a new direction and more vigorously enforce trade laws than the Bush Administration did over eight years.

I want to underscore the importance of using the trade law to protect our domestic tire industry. Clearly, there has been a surge in imports. No other conclusion is possible after seeing imports almost triple in volume over five years. Just as clearly, there has been an impact on U.S. production. As Chinese-made tires rolled into the United States domestic production dropped by more than 25 percent. Capacity utilization is down and facilities in North Carolina, Kentucky, Oklahoma, and Texas have been forced to close altogether. Just ask the more than 4,400 workers who have lost their jobs as a result if they have been injured by this surge in imports. Without relief, more plants will surely close.

This outcome is not inevitable. I believe we can change course using tools already at our disposal. Section 421 was adopted by Congress and agreed to by China to combat sudden irregularities caused by global trade. It was not meant to hinder fair trade. It was intended to give workers and companies a chance to adjust to surges like the one we have seen over the last five years in passenger and light truck tires. The time has come to use the law as the U.S. Congress (and China) intended.

I want to make clear—China's presence as a responsible stakeholder and member of the international community is welcome. In fact, China made a key decision to become a full member of the international trading system by joining the World Trade Organization in 2001. The results of this decision have brought many tangible benefits to China and have helped the country achieve remarkable economic prosperity, namely in bringing over 400 million people out of poverty. In exchange for the benefits of membership in the international trading system, China agreed to international rules and norms and to be bound by those provisions or suffer consequences: this includes Section 421. Given this commitment, it is regrettable that Chinese officials have tried to interfere in this process by inappropriately approaching this Commission. I appreciate how the Commission took immediate steps to ensure fairness and transparency in this process.

In your careful analysis, I know you will look at vast amounts of data on imports, exports, prices, plant capacity, and other factors that will help you make a decision as to whether domestic makers of passenger vehicle and light truck tires have been injured or are threatened with injury from a surge in imports from China. I am confident that you will conclude that relief is not only justified but also essential for these workers and this industry.

I ask the Commission to help restore a level playing field in the important tire sector of the American economy by making sure that the law is applied consistent with an international obligation. In previous 421 cases, I know you have considered the facts carefully and recommended relief as the situation warranted.

Madame Chairman, I believe in both fair and free trade. Given a level playing field, Americans can compete with anyone. I want to see foreign barriers to American products come down because I know our workers produce high-quality products that are exported around the globe as long as foreign markets are open.

I am grateful that President Obama believes in strong trade enforcement. I am hoping for an affirmative determination by this Commission and a decision to provide full relief to this vital industry from President Obama. Then, the workers at Specialty Tires in Indiana, Pennsylvania can look forward to making the tires for the next generation of vehicles and the next generation of Americans.

Thank you.