

Congress of the United States

Washington, DC 20515

September 15, 2009

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

I write to raise concern about your recent decision to impose tariffs on imported Chinese tires pursuant to a petition filed by the United Steelworkers of America under Section 421 of the Trade Act of 1974.

In an opinion piece highlighting the G20 summit in March of this year, you stated that “we should embrace a collective commitment to encourage open trade and investment, while resisting the protectionism that would deepen this crisis.” Unfortunately, it is difficult to see how exercising your discretion to impose trade restrictions on imported tires from China is consistent with this sentiment. Given the upcoming G20 summit in Pittsburgh, the timing of this decision is troubling. Rather than showing U.S. leadership in the global effort to encourage open trade, your decision runs the risk of giving other countries the green light to take their own protectionist measures that could stall a global economic recovery.

Beyond the global implications, your decision could set in motion a troubling trend in our bilateral trade relationship with one of our strongest trading partners. The tire tariffs represent the first time restrictions have been imposed under Section 421. While other trade laws do not require presidential involvement, duties imposed under Section 421 reflect the direct orders of the U.S. president, which might help explain China’s reaction. It is difficult to interpret the Chinese government’s initiation of antidumping proceedings against U.S. chicken and auto product exports as independent of your actions on tires. Your decision to impose duties on Chinese tires is likely to encourage other domestic industries to file their own petitions for relief under Section 421. The potential for an endless cycle of U.S. restrictions and subsequent retaliation from China is the last thing our economic recovery needs.

Finally, it is worth noting that the domestic tire industry was conspicuously absent from the Section 421 petition. Given the economic importance of vibrant export markets for our products, it is critical that the Administration avoid even the appearance of U.S. trade policy being based on political calculus rather than comprehensive, pragmatic, and forward-looking economic analyses.

I respectfully request that, based on these concerns, you reconsider the decision imposing protectionist tariffs on Chinese tire imports. I appreciate your attention to this request, and please do not hesitate to contact me should you like to discuss this matter further.

Sincerely,



JEFF FLAKE
Member of Congress

cc: Ambassador Ron Kirk, U.S. Trade Representative

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