Congress of the United States

Washington, DC 20515

November 21, 2014

The Honorable Penny Pritzker
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Re: Certain Passenger Vehicle and Light Truck Tires from China, Inv. Nos. A-570-016, C-570-017

Dear Madame Secretary:

We are writing in strong support of the Department of Commerce's consideration of antidumping and countervailing duty investigations of imports of certain passenger vehicle and light truck tires from the People's Republic of China. To underscore the pressing need for action, it is our understanding that dumping margins could reach as high as 87.9 percent, although we are mindful that a preliminary determination will be made this month on information gathered by your Department regarding the extent of China's subsidies in support of predatory pricing.

China has targeted the passenger vehicle and light truck tire sector for years. They reportedly have hundreds of tire manufacturing facilities producing far more than they can absorb domestically. Their exports to the United States have surged in recent years and are seriously disrupting the domestic market. In 2009, relief from Chinese dumping was provided under Section 421 of the trade laws to help restore fair market conditions. As intended, this action saved jobs and U.S. companies resumed making substantial investments in new plants and equipment.

Once section 421 relief expired in 2012, imports of Chinese tires skyrocketed. Chinese tire exports have roughly doubled during the period of the current ad/cvd investigations. Thousands of U.S. workers in the industry are once again facing unfair competition, which jeopardizes jobs and production. In an attempt to seek relief from China's current predatory practices, dumping and countervailing duty petitions have been filed by industry stakeholders. It is our understanding that China reacted by creating a massive stockpile here of product with dealers and distributors whose inventories are reaching historic levels, and that since the filing of the petitions in June, Chinese imports of these tires have increased 23 percent by value and 26 percent by volume. This renewed attack is jeopardizing family-supportive jobs and continued investment. In July, the International Trade Commission unanimously determined that they had gathered sufficient information to move beyond the preliminary phase of these investigations.

During the period of this investigation, nearly 5,000 production workers lost their jobs (calendar years 2011-2013 through the 1st quarter of 2014). We urge that the Department move forward to provide relief that will restore fair trade to the tire sector in the long-term and that will address the surging imports presently facing the industry.

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Sincerely,

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