

UNITED STATES
INTERNATIONAL TRADE COMMISSION

In the Matter of:)
)
CERTAIN PASSENGER VEHICLE AND) Investigation No.:
LIGHT TRUCK TIRES FROM CHINA) TA-421-7
) (Remedy)

Pages: 1 through 10

Place: Washington, D.C.

Date: June 29, 2009

HERITAGE REPORTING CORPORATION

Official Reporters
1220 L Street, N.W., Suite 600
Washington, D.C. 20005
(202) 628-4888

THE UNITED STATES INTERNATIONAL TRADE COMMISSION

In the Matter of:)
)
 CERTAIN PASSENGER VEHICLE AND) Investigation No.:
 LIGHT TRUCK TIRES FROM CHINA) TA-421-7
) (Remedy)

Monday
 June 29, 2009

Room 101
 U.S. International
 Trade Commission
 500 E Street, SW
 Washington, D.C.

The hearing commenced, pursuant to notice, at
 11:01 a.m., before the Commissioners of the United States
 International Trade Commission, the Honorable SHARA L.

ARANOFF, Chairman, presiding.

APPEARANCES:

On behalf of the International Trade Commission:

Commissioners:

SHARA L. ARANOFF, CHAIRMAN (presiding)
 DANIEL R. PEARSON, VICE CHAIRMAN
 DEANNA TANNER OKUN, COMMISSIONER
 CHARLOTTE R. LANE, COMMISSIONER
 IRVING A. WILLIAMSON, COMMISSIONER
 DEAN A. PINKERT, COMMISSIONER

APPEARANCES (continued):

BILL BISHOP, HEARINGS AND MEETINGS COORDINATOR

Staff:

NATHANAEL COMLY, INVESTIGATOR

AMY SHERMAN, INVESTIGATOR

ERIC LAND, INTERNATIONAL TRADE ANALYST

RAYMOND CANTRELL, INTERNATIONAL TRADE ANALYST

JAMES FETZER, ECONOMIST

DAVID BOYLAND, ACCOUNTANT/AUDITOR

WILLIAM GEARHART, ATTORNEY

GEORGE DEYMAN, SUPERVISORY INVESTIGATOR

I N D E X

	PAGE
Meeting called to order	4
Agenda for Future Meetings: none	4
Minutes: June 16 and 18, 2009	4
Ratification List: 09-011	4
Outstanding Action Jackets: none	4
Inv. No. TA-421-7 (Remedy) (Certain Passenger Vehicle and Light Truck Tires from China) -- briefing and vote	4

P R O C E E D I N G S

(11:01 a.m.)

CHAIRMAN ARANOFF: Good morning. This meeting of the U.S. International Trade Commission will now come to order.

I understand that there are no agendas for future meetings or outstanding action jackets to consider.

Is there any objection to approval of the minutes of June 16 and 18, 2009, or Ratification List 09-011?

(No response.)

CHAIRMAN ARANOFF: Next, we turn to the vote in Investigation No. TA-421-7 (Remedy) (Certain Passenger Vehicle and Light Truck Tires from China).

Welcome to Mr. Deyman and the staff who participated in this investigation. Are there any questions for the staff?

(No response.)

CHAIRMAN ARANOFF: I would note that there is no staff report to approve. I would also note that, pursuant to Section 421(f), only those members of the Commission who agreed to determination under Subsection (b) are eligible to vote on the proposed action to prevent or remedy market disruption.

1 Mr. Secretary, will you please call the roll
2 of those commissioners eligible to vote?

3 MR. BISHOP: Commissioner Lane?

4 COMMISSIONER LANE: Under Section 421(f) of
5 the Act, I have the responsibility of recommending
6 actions that will remedy the market disruption. I
7 have considered the relevant factors set out in the
8 statute, the written and oral submissions of all
9 parties, and other information obtained in the
10 investigation.

11 To remedy the market disruption caused by
12 rapidly increasing subject imports, I propose that the
13 president, for a three-year period, impose a duty, In
14 addition to the current rate of duty, on imports of
15 certain passenger vehicle and light truck tires from
16 China. This duty will be 55 percent ad valorem in the
17 first year, 45 percent ad valorem in the second year,
18 and 35 percent ad valorem in the third year.

19 In my opinion, these tariff levels would
20 remedy the market disruption that I have found to
21 exist.

22 Finally, I note that, as a result of recent
23 amendments to the trade adjustment assistance
24 provisions administered by the United States
25 Department of Labor, groups of workers who are covered

1 by a petition for such assistance and whose firms are
2 part of the domestic industry that is the subject of
3 my affirmative determination of market disruption
4 shall be certified as eligible to apply for trade-
5 adjustment assistance.

6 If applications are filed, I recommend that
7 the president direct the United States Department of
8 Labor and the United States Department of Commerce to
9 provide expedited consideration of trade-adjustment
10 assistance for workers and/or firms that are affected
11 by subject imports.

12 MR. BISHOP: Commissioner Williamson?

13 COMMISSIONER WILLIAMSON: I concur with the
14 remedy proposal stated by Commissioner Lane.

15 MR. BISHOP: Commissioner Aranoff?

16 CHAIRMAN ARANOFF: I, likewise, concur with
17 Commissioner Lane.

18 MR. BISHOP: Commissioner Pinkert?

19 COMMISSIONER PINKERT: I concur.

20 MR. BISHOP: Madam Chairman, all of those
21 commissioners eligible have done so, announcing their
22 remedy recommendations.

23 CHAIRMAN ARANOFF: Thank you, Mr. Secretary.

24 The Chair now recognizes Commissioner Okun
25 and then Commissioner Pearson.

1 COMMISSIONER OKUN: Thank you, Madam
2 Chairman. I make the following statement on behalf of
3 myself and Commissioner Dan Pearson.

4 Section 421(f) instructs the Commission to
5 propose the amount of increase in, or imposition of,
6 any duty or other import restrictions necessary to
7 prevent or remedy market disruption.

8 The same section also states, and I quote:
9 "Members of the Commission who do not agree to the
10 affirmative determination may submit in the report to
11 the president and the U.S. Trade Representative
12 separate views regarding what action, if any, should
13 be taken to prevent or remedy market disruption."

14 While we did not find market disruption to
15 exist, we intend to submit views on this matter, as
16 has been done previously, under Section 421
17 investigations.

18 Briefly, our views on remedy will urge that
19 no trade-restricting action be taken. It is our view
20 that where subject imports have not been a significant
21 cause of market disruption, any trade-restricting
22 remedy will not benefit the domestic tire industry,
23 its workers, the broader U.S. economy, and society as
24 a whole.

25 This is an industry in which the trend

1 toward gradual downsizing appears likely to continue,
2 regardless of the Commission's action today.

3 Thus, we urge the U.S. Government to be
4 prepared to provide economic-adjustment assistance to
5 displaced tire workers. We note that trade-adjustment
6 assistance already has been provided to some tire
7 industry workers and recommend that the president
8 utilize similar measures to help workers who find that
9 their employment alternatives are changing.

10 Implementing a trade restriction will be far
11 more likely to cause market disruption than to
12 alleviate it.

13 Thank you, Madam Chairman, and we also would
14 like to take this opportunity again to thank the staff
15 for being so responsive to our many requests
16 throughout the investigation and the remedy phase.

17 CHAIRMAN ARANOFF: Commissioner Pearson?

18 COMMISSIONER PEARSON: Madam Chairman, I
19 determined that I'm here today, in large part, as a
20 decoration. Nonetheless, I want to clarify that I do
21 concur with the statement by Commissioner Okun, and I
22 look forward to working with her on an opinion to
23 reflect those views more fully. Thank you.

24 CHAIRMAN ARANOFF: Further information
25 regarding the Commission's determination will be in

1 the press release. The Commission is currently
2 scheduled to transmit its report containing its
3 determination, proposed recommendations on remedy, and
4 views of the commissioners to the president and the
5 United States Trade Representative by July 9, 2009.
6 Thank you to all of the staff who participated in this
7 investigation. You have been a very great help to all
8 of us.

9 Seeing that there is no other business
10 before the Commission, this meeting is adjourned.

11 (Whereupon, at 11:07 a.m., the Commission
12 meeting was adjourned.)

13 //

14 //

15 //

16 //

17 //

18 //

19 //

20 //

21 //

22 //

23 //

24 //

25 //

CERTIFICATION OF TRANSCRIPTION

TITLE: (Remedy) (Certain Passenger Vehicle
and Light Truck Tires from China)

INVESTIGATION NO.: TA-421-7

HEARING DATE: June 29, 2009

LOCATION: Washington, D.C.

NATURE OF HEARING: Briefing and vote

I hereby certify that the foregoing/attached transcript is a true, correct and complete record of the above-referenced proceeding(s) of the U.S. International Trade Commission.

DATE: 6/29/09

SIGNED: Lashonne Robinson
Signature of the Contractor or the
Authorized Contractor's Representative
1220 L Street, N.W. - Suite 600
Washington, D.C. 20005

I hereby certify that I am not the Court Reporter and that I have proofread the above-referenced transcript of the proceeding(s) of the U.S. International Trade Commission, against the aforementioned Court Reporter's notes and recordings, for accuracy in transcription in the spelling, hyphenation, punctuation and speaker-identification, and did not make any changes of a substantive nature. The foregoing/attached transcript is a true, correct and complete transcription of the proceeding(s).

SIGNED: Micah J. Gillett
Signature of Proofreader

I hereby certify that I reported the above-referenced proceeding(s) of the U.S. International Trade Commission and caused to be prepared from my tapes and notes of the proceedings a true, correct and complete verbatim recording of the proceeding(s).

SIGNED: Edwin Wesley
Signature of Court Reporter