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U.S. Adds Tariffs on Chinese Tires

By [EDMUND L. ANDREWS](#)

WASHINGTON — In a break with the trade policies of his predecessor, [President Obama](#) announced on Friday night that he would impose a 35 percent tariff on automobile and light-truck tires imported from [China](#).

The decision is a major victory for the [United Steelworkers](#), the union that represents American tire workers. And Mr. Obama cannot afford to jeopardize his relationship with major unions as he pushes Congress to overhaul the nation's health care system.

But China is certain to be antagonized by the decision, made less than two weeks before Mr. Obama will come face to face with Chinese leaders at a summit meeting in Pittsburgh for the Group of 20 industrialized and fast-growing emerging nations.

The decision signals the first time that the United States has invoked a special safeguard provision that was part of its agreement to support China's entry into the [World Trade Organization](#) in 2001.

Under that safeguard provision, American companies or workers harmed by imports from China can ask the government for protection simply by demonstrating that American producers have suffered a "market disruption" or a "surge" in imports from China.

Unlike more traditional anti-dumping cases, the government does not need to determine that a country is competing unfairly or selling its products at less than their true cost.

The [International Trade Commission](#) had already determined that Chinese tire imports were disrupting the \$1.7 billion market and recommended that the president impose the new tariffs. Members of the commission, an independent government agency, voted 4-2 on June 29 to recommend that President Obama impose tariffs on Chinese tires for three years. Mr. Obama had until this coming Thursday to make a decision.

American imports of Chinese tires tripled between 2004 and 2008, and China's share of the American market grew to 16.7 percent, from 4.7 percent, according to the United States Trade Representative. Four American tire factories closed in 2006 and 2007, and several more are set to close this year.

The Tire Industry Association has opposed the tariffs, arguing that they will not preserve American jobs but will instead cause manufacturers to relocate plants to other countries where they can produce tires cheaply.

President [George W. Bush](#) received four similar recommendations from the trade commission, the most recent one involving steel pipe in December 2005, but he rejected all of those recommendations. Under the

law, the president is allowed to accept or reject the commission's recommendations.

"The president decided to remedy the clear disruption to the U.S. tire industry based on the facts and the law in this case," the president's spokesman, [Robert Gibbs](#), said in a statement Friday night.

Mr. Gibbs said the United States, which already imposes a 4 percent tariff on Chinese tires, would impose an additional tariff of 35 percent for one year. The tariff will be reduced to 30 percent in the second year and 25 percent in the third year. The tariff is to take effect on Sept. 26.

The trade commission proposed higher tariffs than the president actually imposed, recommending an initial levy of 55 percent.

The president of United Steelworkers International, Leo W. Gerard, applauded Mr. Obama's decision, saying, "The president sent the message that we expect others to live by the rules, just as we do."

Senator Sherrod Brown, an Ohio Democrat who had pressed for the tariffs, also praised the decision.

He said in a statement, "If American workers and manufacturers are going to compete in the global market, they need to have a government that uses trade enforcement tools."

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