



foreigntire

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FTS STATEMENT CONCERNING ADDITIONAL TARIFFS ON TIRES IMPORTED FROM CHINA

On Friday night, September 11, 2009, President Barak Obama signed a proclamation imposing punitive tariffs on “Certain Passenger Vehicle and Light Truck Tires from the People’s Republic of China”. This proclamation was the result of a petition filed by the United Steel Worker’s Union (USW) pursuant to section 421 of the Trade Act of 1974 and an investigation/determination by the United States International Trade Commission. The President has imposed an *ad velorem* tariff of 35% for the first year, 30% for the second year and 25% for the third year. There are numerous articles on the web explaining the intricacies of this process.

FTS was and is firmly opposed to the clearly protectionist, union driven trade penalty imposed by President Obama. FTS was extremely active in opposing the petition and ultimate relief. FTS conducted a letter writing campaign and was an active member of the American Coalition for Free Trade in Tires. This group was comprised of several tire importers/distributors. Remarkably, the members of this coalition are competitors of each other but came together to try to defeat this protectionist action. Unfortunately, notwithstanding an extremely large devotion of time and resources, the tariffs were imposed by our President whose indebtedness to the unions ultimately won out over clear facts which mitigated against trade sanctions including the fact that no US tire manufacturer supported the union’s claim. In fact, the second largest US tire manufacturer opposed the measure.

What this means is that passenger car tires, light truck radial tires and SUV tires imported from China will all be taxed an additional 35% this year. This is in addition to the 4% duty already imposed on Chinese manufactured tires.

FTS is committed to supporting the Chinese factories that we purchase from. We hope that our customers will continue to support those factories and FTS during these turbulent times. FTS’ commitment to providing high quality, safe tires at reasonable prices continues unabated. FTS will continue to offer its customers and potential customers the highest quality customer service in the industry and we thank you for your previous and continued support.

Richard Kuskin and the entire FTS staff