

The Washington Post

New World Trade Center's Chinese Glass Is Adding to Trade Furor

By Peter Whoriskey
Washington Post Staff Writer
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The new World Trade Center, now under construction, is often considered a symbol of American enterprise. But to some union members and U.S. businesses, it represents what's wrong with the nation's economy.

The contract to manufacture the blast-resistant glass wrapping the main tower's first 20 stories was awarded earlier this year to a Chinese firm that underbid U.S. competitors.

Now the trade tensions between the United States and China that have arisen recently over tires, steel and paper are spreading to glass.

"This new tower is going to be made out of subsidized Chinese glass, putting factory workers out of their jobs in America," said Scott Paul, director of the Alliance for American Manufacturing, a partnership of the United Steelworkers and some manufacturers.

On Thursday, the Alliance sent a letter to U.S. trade officials asking that they address what they see as unfair trade practices. Specifically, the group says that the Chinese government spends billions of dollars subsidizing the glass industry's energy costs.

"Our domestic glass industry is the most efficient in the world, but it cannot compete against production that is heavily subsidized by the Chinese government," according to the letter. "As a result, glass production in the U.S. has suffered in recent years, with plant closings and thousands of lost jobs throughout the country."

U.S. Trade Representative Ron Kirk and Commerce Secretary Gary Locke are slated for trade meetings in Hangzhou, China, later this month.

A Chinese spokesman on trade issues did not respond to requests for comment.

The U.S. glass industry has lost more than 40,000 jobs since 2000, according to Department of Labor figures, even as the Chinese glass industry has experienced explosive growth. Between 2000 and 2008, U.

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S. imports of Chinese glass have tripled.

Trade relations between the United States and China were frayed last month when President Obama approved tariffs of 35 percent on Chinese tires, after the United Steelworkers, which includes workers from a number of industries, filed a complaint. Other complaints regarding steel and paper products are pending.

Some economists have warned that such measures could inflame broader economic tensions between the two countries and ultimately hurt consumers by raising prices.

"If foreign governments are subsidizing products, for whatever reason, we are benefiting by lower prices," said Daniel J. Ikenson, a trade specialist at the Cato Institute.

When it was learned in March that a Chinese firm, Beijing Glass, would manufacture the special glass for the World Trade Center project, a small furor erupted.

A U.S. company, PPG Industries, said it had spent hundreds of thousands of dollars helping to design the glass, only to see the contract go overseas.

"I think that we have seen product after product from China be unreliable, and in this instance, we need the most reliable," Sen. Charles E. Schumer (D-N.Y.) said at the time, according to media reports.

Steven Coleman, a spokesman for the Port Authority of New York and New Jersey, which is rebuilding the World Trade Center site, defended the award.

"It was a competitive bidding process, which is how we award all our contracts," Coleman said.

Ikenson, the trade specialist, dismissed the One World Trade Center controversy, saying, "It's in our national interest to get the biggest bang for the buck."

A spokesman for the steelworkers union, which represents about 15,000 workers in the North American glass industry, said there are currently no plans to file a trade case on behalf of the industry. But union leaders said the U.S. government should address the Chinese practices in the glass industry.

"Trade cases are a last resort," union

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spokesman Gary Hubbard said. "As unemployment keeps rising we have a heightened concern that if we don't fight back smartly, we're going to lose our industries."

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