

Oregonian Article 8.21.07 on Q Tires

Slick ambassador rolls out sticky tire

Tuesday, August 21, 2007

RICHARD READ

The Oregonian Staff

China's top diplomat in the United States, wearing a crisp dark business suit, smiled politely Monday as he placed his hand on a prototype tire.

Executives of Q Tires Inc. leaned across their Benson Hotel breakfasts to watch as retractable studs, governed by a remote-control unit, emerged from the tire tread. Then with a slight hiss, the studs sank back into the tire below Ambassador Zhou Wenzhong's hand.

Later, after more bacon, eggs, speeches and a myrtlewood-gift presentation, Zhou rose again. He thanked his hosts from the South Carolina-based tire company with Oregon connections. "I'm sure it will work," Zhou said of the firm's plant being built in China. "I'm sure the corporation will prosper."

In times gone by, Chinese diplomats and leaders held forth on socialist ideology in deep overstuffed chairs, slowly sipping tea from porcelain cups placed on doilies. But these days a Chinese ambassador is all business, darting from one corporate meeting to the next, discussing startups, joint ventures, lumber production, metal casting and shipping.

The new style is evident in Zhou's rare three-day visit to Oregon -- his first as ambassador -- as the Chinese envoy to the United States logs 13-hour days populated primarily by business executives. The career foreign service officer, trained during the repressive Cultural Revolution started in the 1960s, met Monday with managers of Totem Forest Products, PCC Structurals Inc. and the Port of Portland.

Throughout, the dapper, personable diplomat, accompanied by his outgoing wife, Madam Xie Shumin, talked up relations between China and both the United States and Oregon. "What we in government need to do," Zhou said during an interview, "is to provide a good environment for this kind of cooperation."

Q Tires is a startup with a product that wins converts each time its executives trundle it into elevators on the way to sales meetings. The Celsius tire has an outer air bladder that uses pressure from the main chamber to lift studs above the tread surface. A motorist passing from snowy to bare roads can release the air pressure on the go, retracting the studs.

The product was the brainstorm of John O'Brien, a Portland-area pastor who hated installing snow chains on his car. "The motivation was, I hate getting my hands cold," said O'Brien, who attended Monday's breakfast.

Big tire companies showed little interest in the concept. But O'Brien found believers who saw the potential of replacing dual sets of studded and regular tires. Tire pros such as Roy Bromfield, a 21-year Michelin man, signed up. Bromfield, Q Tires chief executive, helped recruit private investors. So far, \$8 million has come in.

"Most of this money has been raised in the Oregon and Washington markets," Bromfield told Zhou and his delegation of embassy and consular officials. "We'll raise an additional \$10 million in the coming months."

Q is plowing most of its money into a joint venture in Qingdao, China, to build a factory scheduled for completion this year. The company plans to get untreaded tire cores in China from Yellow Sea Tire, applying patented technology to add the retractable studs.

Tires could hit store shelves early next year, in sizes listed on the company Web site (www.qtires.com). Managers expect retail prices about 30 percent above premium all-season tires.

Bromfield expects that about 140 employees will work at the 72,000-square-foot plant in Qingdao, home of Tsingtao beer. The plant will export the tires to the United States and elsewhere, eventually selling them in China as well.

The enterprise relies on product testing in Akron, Ohio, and management in Greenville, S.C. But its Oregon ties run deep. State Sen. Bruce Starr, R-Hillsboro, who spoke of international cooperation at Monday's breakfast, has consulted for Q Tires. The governors of Oregon, Washington, Idaho, Montana and Nevada have signed legislation authorizing use of tires with retractable studs.

Alan Resnik, a Portland State University marketing professor on leave, serves as chairman. "We are fanatics on quality," said Resnik, concerning the challenge of selling a Chinese-made product after a recent recall of tires manufactured there.

Q Tires uses an Ashland-based ad agency, Steelhead Advertising, which came up with the catchy name (the Q logo is shaped like a tire with a stud poking out). Jason Ehrlich, Steelhead founding partner, talks like an ad man: "This is arguably the biggest revolution in tires since the radial."

Such talk seemed to appeal to the ambassador. China continues seeking investment to build its economy and boost employment as decrepit state-owned factories fold, laying off workers. Zhou still works traditional diplomat channels back in Washington, D.C., but a big part of his job is encouraging commercial ties.

To close Monday's breakfast, Zhou moved beyond the usual scripted comments in his thank-you remarks. He recalled a snowy day years ago in Beijing when his car, driven by a chauffeur, began sliding. Luckily, he said, there were no other cars around.

"The car skidded," Zhou said, "and turned 360 degrees. Slowly. In the snow.

"With this technology, it would not have happened."

Richard Read: 503-294-5135; richread@aol.com

(See attached illustration of Q Celsius tire.)