



**BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION**

**CERTAIN PASSENGER VEHICLE
AND LIGHT TRUCK TIRES
FROM CHINA
INVESTIGATION No. TA-421-7**

**HEARING MATERIALS AND TESTIMONY
IN SUPPORT OF RELIEF
FROM MARKET DISRUPTION**

JUNE 2 , 2009

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INV. NO. 421-7**

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**TESTIMONY OF LEO W. GERARD
INTERNATIONAL PRESIDENT
UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION**

Good morning Chairman Aranoff, Vice Chairman Pearson, and members of the Commission. My name is Leo Gerard, and I am the International President of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union. I am happy to have the opportunity to come and testify before the Commission once again, as I have in previous cases.

I would like to take a moment to introduce the USW members who work in the tire industry who have traveled to be here today. Please stand up and be recognized. It is on behalf of these workers, and the thousands more our union represents in this industry, that I am here today.

Members of the Commission, this case is a special one – and an especially important one. Let me explain why.

First, this case will test whether the China-specific safeguard is a meaningful tool for addressing market disruption here in the United States, or if it is a dead letter. As you know, the USW vigorously opposed granting permanent normal trade relations (PNTR) to China and allowing China to accede to the WTO. But at the time PNTR was being debated, the President,

his administration, and the Congress all promised us at least one thing: that if our warnings were right, and if imports from China were to flood into our market after WTO accession and harm our members, we would have a remedy. That remedy is the 421 safeguard. Congress made sure that unions have a right to seek relief under the law just as much as companies do, and we would not have been forced to invoke that right if the situation facing our members were not extremely dire.

I understand that the decision whether or not to impose relief does not end with the Commission, but the case will go no further if the Commission does not make the right determination. After that, it is up to the President – this President has pledged to examine these cases on the merits, and the merits of this case could not be stronger. After my introductory remarks, Mr. Stewart will review the facts showing an explosion in imports of low-priced tires from China causing severe injury to the domestic industry. The record is compelling, and the record is irrefutable.

Second, I ask the Commission to understand, in human terms as well as economic terms, the depth and breadth of the pain our members and our union have had to endure due to the flood of Chinese tires into this country. Due to these imports, the tire industry, in the words of Goodyear North America's former president Jon Rich, is "under attack as never before." The wave of low-priced imports from China was devastating to our companies, who could no longer afford to make tires in a market driven by the "China price." In a desperate effort to cut their losses, the companies have shut plant after plant, with three more on the chopping block today.

- In 2004, Continental closed its Mayfield, KY plant, eliminating 985 jobs.
- In 2006, Continental shut another plant, this time in Charlotte, NC. About a thousand more jobs were lost.
- Later that year, Bridgestone shuttered its Oklahoma City Plant, leaving 1,400 people jobless.

- Also in 2006, Goodyear closed its Tyler, TX plant, slashing another 1,100 jobs.

All in all, more than 5,100 jobs have disappeared since 2004. And there is no end in sight if relief is not granted. We already know that more than 3,000 jobs are on the line at three more plants: Cooper's plant in Albany, GA; Bridgestone's facility in LaVergne, TN; and Michelin's Opelika plant in Alabama.

As Mr. Wansley will testify, these plant closures are shattering not only to the individual workers who have given their lives to a company, and not only to those workers' families, but to entire communities. In many cases, a tire plant is a fundamental pillar of the local economy, especially in smaller towns where skilled jobs with decent wages and benefits are harder and harder to come by. These plants directly support their local suppliers and service providers; their employees keep restaurants and shops in the area afloat; and they all generate significant local and state tax revenue. When a plant shuts its doors, everyone in the community suffers.

Finally, I will close with one last thought. Our union has used every tool we have at our disposal to save the industry from total collapse – we have made concessions in our contracts, we have deferred wage increases to support the continuance of benefits for our retirees, we have cooperated to improve productivity, and the list goes on. As Mr. Conway will testify, we have secured specific commitments from our companies to make needed capital investments to keep our plants competitive, and we will continue to seek these commitments in the future. As any contract negotiator will tell you, every commitment you bargain for means a trade-off somewhere else. For our union, such commitments to the future of the domestic industry are worth the trade-off.

But all of these best efforts aren't worth a dime if the market is being pulled out right from under us. And that is the situation we face with China. All we ask for here today is a fighting chance. With a small window of relief, we can finally start to build something from all

of the sacrifices and all of the hard work. A lot more work will be required, but with a short period of relief, we can start to build a sustainable foundation for the future of the American tire industry and its workers.

Thank you.