

**CERTAIN OFF-THE-ROAD TIRES FROM CHINA, INDIA, AND SRI LANKA
INV. NOS. 701-TA-551-553 AND 731-TA-1307-1308 (PRELIMINARY)**

**PUBLIC STAFF CONFERENCE BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION**

JANUARY 29, 2016

STATEMENT OF STAN JOHNSON
INTERNATIONAL SECRETARY-TREASURER
UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION

Good morning. My name is Stan Johnson, and I am the International Secretary-Treasurer of the United Steelworkers union. I also chair the Rubber and Plastics Industry Conference of the USW.

I have extensive experience in the tire industry. I worked at Armstrong's passenger car and light truck tire plant in Madison, Tennessee, for more than 20 years. I left the plant to join the USW after the Rubber Workers merged with the USW in 1996. As part of my responsibilities, I have been involved in major bargaining with the tire companies that employ USW members.

Our union was proud to join with Titan to file these petitions earlier this month. Unfairly traded imports of OTR tires from China, India, and Sri Lanka have caused serious injury to the domestic OTR tire industry and to many USW members that work in the industry. In addition to Titan's three facilities, the USW also represents workers that produce OTR tires at Bridgestone's plants in Bloomington, IL and Des Moines, IA. Together, USW members represent over 58 percent of the domestic capacity to produce OTR tires.

Titan's witnesses have testified that growing volumes of subject imports into a market with flat to declining demand have seized shipments and market share at a range of OTR tire customers. These imports have also substantially undersold Titan's prices, and depressed those prices. As a result, Titan has lost shipments, and production volume, and seen its capacity utilization rate decline. This has necessitated layoffs at Titan's facilities, and a reduction in hours worked and wages paid. Indeed, the workforce engaged in producing OTR tires at Titan's three facilities shrank by more than 40 percent from 2012 to 2014. Just a month ago, Titan announced that another 130 workers were going to be laid off at the Bryan plant on February 8, 2016, and that some of these layoffs may be permanent if market conditions do not improve. Titan also testified that the sales volume and revenue lost to subject imports has hurt its bottom line, and that imports threaten further injury if orders are not imposed.

Based on the USW's experience, Titan's story is not limited to one company alone; it is the story of the entire domestic OTR tire industry. USW members produce OTR tires for agriculture, forestry, construction, and industrial applications at Bridgestone's two plants in Bloomington and Des Moines. These tires are sold into both the aftermarket and to original equipment manufacturers. As subject imports have increased and taken market share, the daily production ticket at both plants has dropped dramatically. This has forced the facilities to shrink the workforce through attrition, and also to put dozens of workers on voluntary layoff. Even the workers who are left are sometimes assigned just to do minor facility maintenance and clean up in order to keep earning pay when there is insufficient production to keep them occupied. The Des Moines plant has had to reduce its production schedule from seven days a week to five, and the Bloomington plant has had to reduce shifts in its bias tire operations.

As a result of the decline in production, many tire building machines and curing presses are currently sitting idle at the two Bridgestone plants. Some equipment has been idled for so long that it was actually scrapped by the company. In 2010, the company made a major five-year investment in a new curing room at the Des Moines plant – but by last year about half of this new curing equipment was simply sitting idle. Plans to upgrade and expand the capacity at the two plants have been put on hold.

The reason for these declines in production, hours, employment, and investment is the rising volume of low-priced imports. In our conversations with management at the plant level, in bargaining, and in interim meetings they constantly raise the issue of import competition. They have specifically mentioned each of the three countries we are discussing today, and pointed to the growing market share of foreign producers like BKT and Alliance. They monitor the imports continuously, and management just notified our Bloomington local president this month about a new OTR tire plant being built by BKT in India.

The OTR tire industry provides high-paying, high-skilled jobs with family-supporting benefits. Many of our members have been working at the same plants for decades, and their hard work has helped families buy homes, send their kids to college, and save for retirement. All of that is now at risk because of these dumped and subsidized imports from China, India, and Sri Lanka. That is why our union joined in these petitions, and that is why I am here today to ask for an affirmative preliminary determination.

Thank you.