

**CERTAIN OFF-THE-ROAD TIRES FROM INDIA AND SRI LANKA  
INV. NOS. 701-TA-552-553 AND 731-TA-1308 (FINAL)**

**PUBLIC HEARING BEFORE THE  
UNITED STATES INTERNATIONAL TRADE COMMISSION**

**JANUARY 4, 2017**

**STATEMENT OF LESTER BREWER  
GENERAL MANAGER, DES MOINES  
TITAN TIRE CORPORATION**

Good morning. My name is Lester Brewer. I am the General Manager of Titan Tire Corporation's OTR tires plant in Des Moines, Iowa. I also oversee the mounting and distribution of OTR tires in Des Moines and Pendergrass, Georgia. I started with Titan in 2001, and I have been involved in overseeing tire manufacturing, mounting, and distribution.

The types of vehicles that OTR tires are used on include farm tractors, combine harvesters, irrigation equipment, log skidders, off-road dump trucks, front end loaders, graders, mobile cranes, lift trucks, and skid-steer mini loaders. Covered tires include a wide spectrum of sizes and features, but they are all designed specifically for off-road applications. By definition, OTR tires in the aftermarket need to be able to fit the same machines that are served by OTR tires sold in the original equipment market.

At our plant in Des Moines, we produce almost every type of tire covered by this case, including agricultural, earthmoving, construction and industrial tires. We produce tires for both the OEM market and the aftermarket. We also produce both Goodyear and Titan brand tires. Tires destined for different end use segments are produced by the same workers, on the same equipment, and using the same production processes.

We also produce both radial and bias tires, with bias tires making up the majority of our production. Though the construction of the tires is different, we produce radial and bias tires on the same equipment and with the same workers. In some tire sizes, there will be both radial and bias options that can be used in the same applications.

Our tire production operations have experienced significant difficulties as unfairly traded imports have eroded our market share and driven down prices. Our customers have been ordering fewer and fewer tires with each order, forcing us to reduce our lot runs to 50 to 100 tires a run for smaller tires and 10 to 50 tires for larger tires. This imposes significant costs on our plant. With each changeover, we have to change tooling for tire building machines and we often have to change molds in our curing presses. Changing out a mold in a curing press has to be done manually, and can take from one to four hours depending on the size of the mold.

As Titan has lost sales to rising volumes of low-priced imports, our plant has seen production fall dramatically, much more than what the cyclical downturn in demand would warrant. Many of our tire building machines and rows of curing presses are standing idle. This represents a significant loss of potential revenue and unmet overhead costs on every sale. Unfortunately, we have also had to put many of our tire manufacturing employees on layoff.

The decline in revenue has also forced us to shelve plans to upgrade mixing, building and curing equipment. Capital expenditures have been cut drastically. At this point, we are only investing in maintenance and not even meeting depreciation.

Our plant has the equipment and the capability to produce many more OTR tires than we are currently producing. If the tide of imported tires from India and Sri Lanka is stemmed, and if prices reflect fair competition rather than unfair trade, we could quickly ramp our production back up. Using existing equipment, as well as new hires, we could be operating at much higher

levels of capacity utilization within a couple months under conditions of fair trade. I hope the Commission will give us the opportunity to do so.

Thank you.