

**TRUCK AND BUS TIRES FROM CHINA
INV. NOS. 701-TA-556 AND 731-TA-1311 (PRELIMINARY)**

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

FEBRUARY 19, 2016

**STATEMENT OF JODY JUAREZ
PRESIDENT, USW LOCAL 307
GOODYEAR PLANT IN TOPEKA, KANSAS**

Good morning. My name is Jody Juarez. I am the President of USW Local 307, which represents workers at Goodyear's plant in Topeka, Kansas.

I have been working at the Topeka plant for 30 years. I have experience building bias tires and in component processing. I now work in the plant's banbury and mixing operations. In addition to truck and bus tires, our plant also makes a small amount of light truck tires and some large off-the-road earthmoving tires. Our bus and truck tire operations are completely separate from our off-road tire operations, and the two types of tires are made on different equipment and by different employees. Our bus and truck tire operations are also largely separate from our light truck operations. We make bus and truck tires under the Goodyear brand as well as some Kelly and Dunlop brand tires.

We also make tires for both the original equipment market and the replacement market. An OE and replacement tire for the same vehicle will be the same tire, built on the same machine. Our plant also makes truck and bus tires for all positions – steer, drive, and trailer – and those tires are made on the same machines and by the same workers.

Production of truck and bus tires at Goodyear's Topeka plant is suffering due to unfair competition from imports from China. From 2013 to 2015, truck and bus tire production at our plant was flat to declining, despite the large increase in demand for truck and bus tires over the period. We had a daily ticket that ranged from 5,300 to 5,700 in 2015. In December of 2015, management started a series of reductions to that daily ticket. This year, we are only producing 4,100 tires a day.

This lackluster production led management to take two days out of schedule for Christmas last year, even though we were supposed to be working full out. Now they have informed us that they are going to take out more days around holidays this year, including four more days at the Fourth of July and three more days at Christmas. These are times we would normally be working around the clock. The component prep section of the plant is also not operating on full shifts. And, just last week, management informed us that they were going to stop accepting new applicants to the hiring pool, which means we will soon see positions lost through attrition. If our plant's much lower production levels do not reverse this year, I am concerned that the next step will be layoffs.

We have not been operating at full capacity since 2013, a situation that is even worse today. A couple of our banbury mixers are currently shut down. A number of our tire building machines are being cleaned or sitting idle instead of producing tires. With the current labor in our tire room and full equipment utilization, we could be producing 7,000 tires a day – significantly above the 5,700 tires made in 2015 and far more than the 4,100 tires we are making today. Our curing equipment can currently cure 6,200 tires a day, also above our current and prior production levels. With some additional investment in new curing lines, and no new tire building equipment, we could easily produce 7,000 tires a day or more.

In fact, our plant has sought two new curing lines from Goodyear in order to take full advantage of our tire building capacity and enable us to hit 7,000 tires a day. But the company will not commit the funds needed to make the investment. We were also expecting to get a new mixer in 2014, but the investment was not made in our plant. In short, there has been no new equipment added to our plant at all since 2013.

Management's explanation for the drop in production and failure to invest in new equipment is that there are fewer tires being ordered and Goodyear has lost market share. It is remarkable to me that in a market where overall demand is high and growing, a company like Goodyear is losing sales and market share. It is distressing that right at the time when the market is high and we would expect the best for our company, we are unable to get any equipment in our plant, to improve our capacity utilization, and to increase production and employment. Instead our production has been cut repeatedly, our equipment is sitting idle, and our workers are under-used. The reason for the problems our plant has experienced is the rapid growth in low-priced tires from China. Management has confirmed this. In interim meetings, they have specifically discussed their concerns about competition from cheaper tires from China entering the market.

The downward spiral our plant is on is unsustainable in a capital-intensive industry like tire-making. When demand is high is when our plants need to be running full out, when new investments should be made, and when our members should be working full shifts, earning overtime, and training new hires. Instead the opposite has occurred, all because of the surge in dumped and subsidized tires from China.

If orders are imposed on these imports, our plant can react immediately. We have the raw materials, the labor, and the equipment to start producing more tires tomorrow, and to keep producing more tires the days and months after that. We can ramp up from 4,100 to 6,200 tires a

day with no new equipment, raising our annual production by 735,000 tires. If the addition of two new curing lines was allowed to go forward, it could bring us to 7,000 tires within a year, raising our annual production by an additional 280,000 tires.

We hope the Commission will vote in the affirmative to give us that opportunity to compete.