

**CERTAIN PASSENGER VEHICLE AND LIGHT TRUCK TIRES FROM CHINA
INVESTIGATION NOS. 701-TA-522 AND 731-TA-1258 (FINAL)**

**STATEMENT OF REPRESENTATIVE DAVID PRICE
PUBLIC HEARING BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION**

JUNE 9, 2015

- Chairman Broadbent, Commissioners, I appreciate the opportunity to be here today to testify before the Commission. As the representative of North Carolina's Fourth Congressional District, I am here today to support the United Steelworkers' petition for relief from dumped and subsidized imports of passenger and light truck tires from China.
- North Carolina is home to two passenger car and light truck tire plants: a facility run by Bridgestone in Wilson, North Carolina and a Goodyear's tire plant in Fayetteville, which is located in the Fourth Congressional District. Together, these plants have the capacity to produce 75,000 tires a day and employ thousands of workers. They provide significant economic benefit to their local communities and to the state of North Carolina.

- I will not recount the entire history of the actions taken by the commission against unfair Chinese imports; the history of Chinese abuses, particularly in the area of passenger car and light truck tires, is well documented. The 421 safeguard relief from Chinese dumping provided by the commission in 2009 was warranted and proved effective in curtailing the market-distorting effects of Chinese actions through the end of the 2011 calendar year. Following the implementation of the safeguard, imports from China fell, domestic production and prices recovered, and the U.S. tire industry was able to retain and add workers in North Carolina and around the country.
- It is also clear, however, that once the 421 sanctions were lifted in 2012, the problem returned. The Commission's pre-hearing report clearly shows that tire imports from China have increased by 84 percent since 2012. From 2011, the last full year of the 421 safeguard, to 2014, U.S. imports of Chinese tires more than doubled. Moreover, these imports have undercut U.S. producers.
- Again, the Commission's pre-hearing report shows that Chinese producers undersold domestic producers in 100 percent of the

Commission's price comparisons. The result is that Chinese producers have increased their market share from 11.5 percent of the U.S. market in 2012 to 19.3 percent of the U.S. market in 2014. This increase came at the expense of our domestic producers, whose market share fell from 46.6 percent to 41.9 percent in that period. As a result, domestic production is down, domestic sales are down, and employment is down.

- There seems to be ample evidence that the increased competitiveness of Chinese tire manufacturers can be directly tied to state-sponsored efforts to boost production, including but not limited to below-market loans from state-owned banks, grants, tax breaks, and the provision of key raw materials from state-owned suppliers. Other witnesses will provide you with additional details on that front, but it's safe to say that this is nothing new, particularly with regard to the trade-distorting practices historically employed by the Chinese government.
- To illustrate the importance of ITC action on this front, let me share with you how my constituents at the Goodyear plant in Fayetteville have been affected. As Darryl Jackson, President of USW Local 959 at Fayetteville testified last June, with the 2009 421 relief in place and the

domestic market stabilized, the Fayetteville facility was able to maintain steady production through 2012. However, since the safeguard expired, the facility's production has been reduced from 33,000 tires a day to 31,500 tires a day. Such reduced capacity threatens the livelihood of the plant's employees and their families. However, in the few short months since Commerce imposed preliminary duties, production is returning to Fayetteville.

- I understand that a month after Commerce's preliminary countervailing duty determination, the plant's management decided against cutting the plants work schedule by two weeks due to stabilized demand. Layoffs at the plant have also ceased. Moreover, it is my understanding that Goodyear is actively investing in and upgrading the Fayetteville facility to help it remain competitive in the future. I am deeply concerned that a negative determination by this Commission would result in a flood of subsidized Chinese tires back into the U.S market, debilitating facilities like Goodyear's plant in Fayetteville.
- Throughout my career, I have always said that given a level playing field, American workers will out-compete anyone. I urge you to make an

affirmative determination in this matter and level the field for U.S.
workers.

- Thank you again for your attention to this matter.