



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

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

**JUNE 9, 2015**

**STATEMENT OF DAVID HAYES  
PRESIDENT, LOCAL 12L**

**UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY,  
ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION**

Good morning. My name is David Hayes. I am the President of USW Local 12L, which represents workers at Goodyear's tire plant in Gadsden, Alabama.

I have worked at Goodyear for nearly 40 years. My father worked at the plant and was also president of the local. My five brothers and a couple brother-in-laws also worked at the plant, and I have a couple nieces and nephews that also work there. I spent most of my career working the extruders in component prep; I have also worked as a tire builder and in final finish.

Our plant makes both passenger and light truck tires. We have the capability to make a wide range of sizes, from as small as 13 inches diameter to as high as 24 inches. We make tires for the OEM and replacement markets, and for Goodyear's own labels, including Dunlop and Kelly, as well as private labels.

After the safeguard duties expired, the surge of imports from China directly impacted our plant. In 2012, while the safeguard duties were still in place, we were producing from 21,500 to 23,927 tires a day at our plant. In October of that year, right after the duties ended, we dropped to 15,090 tires a day. The plant also shut down for 10 days due to high inventory, and our work schedule was reduced from 42 hours a week to 40. In 2013 and 2014, our production was about

20,000 tires a day for most of the year. This translates into nearly 1.4 million tires of lost annual production compared to the daily peak we were able to achieve with the safeguard duties in place. As our production dropped, 53 workers were laid off, and we lost more through attrition. In August of 2012, we had 1,456 members in our unit. By June of 2014, we had only 1,350.

As I testified in June of last year, Goodyear was hoping to increase production at Gadsden by introducing 22 new tire codes. Goodyear wanted to regain share at the mid-level of the market where they have been directly pushed out by Chinese imports. To succeed, however, Goodyear must be able to make a profit on those tires, a prospect put into jeopardy by ever-growing volumes of low-priced Chinese imports. In May of 2014, a Goodyear Vice President came to Gadsden and explained to us that the expansion plans might have to be shelved if the company cannot regain the market share it lost to China since the safeguard duties expired.

I am happy to say that the plans did not have to be shelved. The reason is these cases. When Commerce imposed preliminary duties on Chinese imports in November 2014 and January 2015, import volumes shrank dramatically. And import unit values rose, relieving some of the price pressure on our products. Goodyear moved ahead with its plans, launching a new product line called Assurance Fuel Max. Goodyear raised our daily ticket to 22,200 tires a day at the end of 2014 so we could produce the new tires. In April of this year, Goodyear also announced a new tire line under its Kelly brand, and we are now producing 22,700 tires a day.

The company invested in new tire building equipment to raise our capacity to 24,500 tires a day, capacity we can reach if duties stay in place and our production continues to rise. Since preliminary duties were imposed, we have gotten five new tire machines, we have expanded our curing operation, and we have added eight new presses. We also installed new equipment in final finish and added labor to component prep on equipment that had been idle during the night

shift. We have hired at least 188 new employees since last year, and we have been hiring nearly every week. We are working full out every shift and management canceled our normal July 4<sup>th</sup> shutdown, which means more money in the pockets of our members and their families.

Goodyear jumped at the chance to expand its presence in the mid-range of the market after duties were imposed. Management explained to us that this market was difficult to compete in successfully because of rising imports of low-priced tires from China. They see enormous potential in this market, and they are ramping up to retake the market share China took from us. Management's name for the project says it all: "Rocket Launch." With duties in place to tame Chinese dumping and subsidies, the domestic industry is willing and able to rapidly increase production by activating the capacity that has been idled and investing in new capacity.

Sales of our new tires are through the roof. Management has told us that if these cases are successful, 2015 will be a lot better year than 2014. But they have also told us that if the duties terminate, 2015 could be another bad year and days would again have to be taken out of schedule. The fate of our plant hinges on these cases.

If the duties are not allowed to stay in place, I am deeply concerned about what would happen to our plant. In many ways the only way our plant was able to stay afloat after the safeguard expired is because we were able to absorb production from Goodyear's Union City plant that closed in 2011. But that cannot sustain us for long if imports from China continue to grow and seize market share. If that happens, our plant could be the first on the chopping block at Goodyear. While our current contract protects the plant from being closed down entirely until 2017, management can lay off more than 250 workers during the life of the contract.

This would be a huge blow to our members and their families, and indeed the entire Gadsden community. My family is not the only one in Gadsden that has supported itself through

generations of hard work at the plant. A 2006 study of our plant found that it contributes \$360 million to the local community in direct and supported economic activities and supports 4,200 jobs in the state of Alabama. If the plant were to close its doors, the impact would be devastating.

This Commission's vote will make all the difference for our plant, our members, and the generations of families in Gadsden that have made their livelihoods in the tire business.

Thank you.