Rodney Nelson

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 RODNEY NELSON
PRESIDENT, LOCAL 207L
UNITED STEEL, PAPER AND FORESTRY, RUBBER, MANUFACTURING, ENERGY, ALLIED INDUSTRIAL AND SERVICE WORKERS INTERNATIONAL UNION

Good morning. My name is Rod Nelson. I am the President of USW Local 207L, which represents workers at Cooper's passenger car and light truck plant in Findlay, Ohio.

I have been with Cooper for 34 years, and I have been the president of the local for 9 years. In my time at Cooper I have done nearly every job there is. I have worked in the mill room doing material prep, and I have worked with the banbury mixers, in the tire room, as a tuber operator, and more.

Our plant produces tires for the replacement market for Cooper's own brands as well as dealers' private labels.

One of the most important factors affecting the fortunes of our plant in recent years has been imports from China.

When President Obama imposed safeguard tariffs on Chinese tires in 2009, the impact on our plant was immediate. The order imposing duties came out on Friday, September 11. That next Monday, our plant manager told me we were going to hire 100 more workers and invest $20 million in the plant to keep up with the increased demand for our tires. Even that estimate was conservative – all together we ended up hiring 150 more people, and we invested in new curing presses and made other improvements. And those workers were kept extremely busy; we were racing to keep up with the demand for our tires.

But the relief didn't last. In contract negotiations in 2011, management said we needed to cut costs and roll back our wages to prepare for the tariffs coming off. As we got closer to September of 2012, management warned us that there were ships loaded with Chinese tires waiting off the coast of California for the tariffs to expire. Once the tariffs ended, and Chinese imports came flooding back in, the effect was immediate.

While the tariffs were in place, we would run about 21,500 tires a day. After the tariffs came off, our daily production fell by almost 20 percent, to 17,400 tires a day, in 2013 and 2014. This equals a loss of more than 1.4 million tires a year. In addition, as production dropped, management started taking days out of our schedule. We only operated 41 weeks in 2013, a loss of at least another million tires of production. While we were operating 298 molds before the tariffs ended, we fell down to 242 molds in 2014. We've lost workers as well. Through attrition, we went down from 1,050 workers in 2012 to only 840 in 2014.

I am proud that our union took action to counteract Chinese imports. I have seen first-hand the dramatic improvements that are possible if we can get relief from dumped and subsidized tires from China. In December, the month after Commerce's preliminary subsidy determination, we got two new curing presses, and we are now in the process of installing 14 more new presses. We didn't hear anything about getting this new equipment until the preliminary tariffs were put on. We are now operating 270 molds, up from the 242 molds we were operating last year. We've been able to add jobs, and we are working on a full schedule with no days taken out.

And this is just the beginning. Management is still getting its plans in place so we can take full advantage of the important opportunity the tariffs have created. The month before Commerce made its preliminary subsidy determination, management bought some land next to our plant. Now they are trying to get Cooper to approve an expansion. They are hoping to be able to get up to operating 330 molds – a lot more than the 298 molds we operated under the safeguard. Our plant can adapt very quickly to increase production if the demand is there – and with duties in place, believe me, the demand is there and we are eager to meet it.

Anyone who claims that Chinese tires do not compete with our product and have no impact on our industry has not been to Findlay, Ohio. They haven't been in our plant and seen the new equipment, the increased daily ticket, the workers who are able to work a full schedule and bring back more pay to their families. There is only one reason for these improvements: Chinese tires are retreating from the market.

Just as our plant suffered when Chinese imports flooded in after the safeguard ended, our plant thrives when imports from China are required to compete fairly. Our union sees the cause and effect, and our management does as well. Local management was very clear with us why production, hours, and employment all had to go down when the safeguard ended: because we couldn't compete with the tide of Chinese tires entering the market at very low prices. As Cooper itself explained in its 2013 annual report, its reduced volume in North America "is a result of increased competition from imports." The company also noted "unfavorable pricing" in North America in 2013. The immediate positive turnaround from management when duties were imposed only underscores how closely our plant's fate is tied to disciplining Chinese imports so the playing field is level.

These cases are critical to our plant's ability to compete. For the sake of my 925 members and their families, I hope the Commission will vote in the affirmative and will allow duties on Chinese tires to stay in place.

Thank you.