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

PUBLIC HEARING BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION

JANUARY 24, 2017

STATEMENT OF BILLY WRIGHT
PRESIDENT, USW LOCAL 1155
BRIDGESTONE PLANT IN WARREN COUNTY, TENNESSEE

Good morning. My name is Billy Wright, and I am the President of USW Local 1155. We represent workers at Bridgestone's plant in Warren County, Tennessee.

I have worked for more than 22 years at the Warren County plant. I have held positions in the banbury and mixing sections of the plant, and through my union positions I have gained familiarity with other sections of the plant as well. Our plant is dedicated to the production of truck and bus tires, and we are Bridgestone's largest truck and bus tire plant in the United States. Our plant makes the full range of truck and bus tires for all positions, and we produce tires for original equipment manufacturers as well as the replacement market. We make truck and bus tires sold under the Bridgestone brand as under Bridgestone's Firestone and Dayton brands.

Though demand for truck and bus tires has increased significantly in recent years, our plant has not seen any benefit in terms of similar increases in production, employment, or investment. Our daily production ticket was 9,000 tires in 2013, below our maximum capacity, and it stayed at that level through the end of 2015. In other words, during a period when demand in the U.S. was increasing by roughly 21 percent, production at Bridgestone's largest plant remained flat.

Because of its inability to make sales, over the past couple of years Bridgestone has been building inventories, both at its million-tire warehouse in Lebanon, Tennessee and at the 150,000 tire warehouse at our plant. The warehouse at our plant is currently at near full capacity. Due to inventory build-ups, Bridgestone cut our daily production ticket in January 2016 to 8,900 tires and the next month it was reduced to 8,800 tires. We went back up to 8,900 in October of last year and are currently at that level. Our sister plant in La Vergne, Tennessee has also been forced to reduce its daily ticket in 2016. When we asked management why they were cutting production, they told us that Chinese tires were killing the market and that sales simply weren't there for the company.

Due to the production cuts, days have been taken out of the schedule and days have been added to shutdown periods. These days are taken without pay. In addition, there is less overtime available to our members, which is an important source of additional income for their families. Instead of overtime, we are now in a situation where members who finish work early simply go home. Many of our workers are working less than 40 hours a week.

Bridgestone has tried to compete for market share by shifting more production to our Firestone and Dayton brands, but it has not been enough to bring more overall volume to our plant. Unless Bridgestone can increase sales and work down its inventories, we will likely see further reductions to production. If these trends do not reverse this year, taking days out of schedule, reducing overtime, and having workers work less than 40 hours will not be enough – at some point layoffs will be on the table.

Our plant has also been forced to forego capital investment because of the unfair competition from Chinese imports. We have discussed plans to add a banbury mixer to increase our internal rubber supply as well as some additional tire building equipment with management many times, and it was at one point slated to go forward in 2015. In a market where demand rose quickly from 2013 to 2015, it was only logical to make an investment that would let us increase production by about fifteen percent in order to keep our market share. But in August of 2015, Bridgestone's CEO came to visit our plant and told us that the new investment would be put off indefinitely. He told us that the investment will not happen until the company's sales picked up. He told us that we already produce more tires than we can sell when the company is losing market share to cheaper Chinese tires.

If orders are imposed on dumped and subsidized tires from China, it will have important benefits for our plant. We could easily increase production to 9,200 to 9,300 tires a day on existing equipment and with existing employees. We routinely source rubber from our sister plant in La Vergne, and with additional rubber supply from that plant, we could increase production to 10,000 tires a day on existing equipment – that is an additional 420,000 tires a year with no new equipment. In addition, if the project to add a banbury and other equipment were finally given the go-ahead, we could be making 12,000 tires a day or more within a year, raising our annual production by another 700,000 tires. We have the excess capacity in other parts of the production line to do this. If we could sell the tires, this is where management would like us to be, and they recently told me that this case would help to move those investments forward.

Such increases in production would also help our members get overtime work and overtime pay again, giving a significant boost to family income. Adding production would also help us add positions and hire new employees, giving more members of our local community what we have been so fortunate to have – high-skilled, high-wage union jobs with good benefits. If Chinese imports are not stopped, we will only see more of the same – more lost hours, additional cuts in production, more opportunities for our plant and our community unrealized and put on the shelf. Ultimately, if Chinese imports keep increasing at the rate they have, I am afraid the outcome will be even more dire – steeper production cuts, shifts taken out of schedule, and layoffs for our members.

I am here today on behalf of those members to ask the Commission to help give us a fair shot by making an affirmative determination in this case.

Thank you.