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

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# STATEMENT OF BRUCE CHAMBLEE
# MANAGING PARTNER AND GENERAL MANAGER
# DORSEY TIRE CO. INC.

Good morning. My name is Bruce Chamblee and I am the Managing Partner and General Manager at Dorsey Tire Co. Inc., a tire dealer based in Pooler, Georgia. We have two locations, one in Pooler, a suburb of Savannah, and a second location in Darien, Georgia. We service the Georgia market, but through our alliance network, we are able to provide services to our customers regionally. Our company works in passenger and light truck tires, truck and bus tires, and off-the-road tires, but we are primarily focused on truck and bus tires. We deal with regional fleets, national fleets, and independent operators, but the majority of our business is small regional fleets, including school bus fleets and charter busses, and independent operators. We carry a range of brands produced by Bridgestone, Continental, Michelin, Goodyear, and Yokohama.

To compete across the market, tire producers provide numerous brands that follow a good, better, best branding strategy to provide customers with a range of product at different price points. For example, in addition to their brandnames, we carry Bridgestone's Firestone and Dayton brands, Continental's General brand, Michelin's BFGoodrich brand, and Goodyear's Dunlop brand.

Since 2013, we have seen imports of truck and bus tires from China impacting competition across large parts of the market. The bulk of our customers are regional and local fleets and independent operators, and they also make up the majority of the market for truck and bus tires overall. These customers are very price-sensitive. They want a tire that performs, but they also are motivated by price. These fleets and owner operators are businesses that need to focus on their bottom line, and that includes the price of the tires they buy. For a regional fleet that purchases 2,000 tires a year, spending ten to twenty dollars less per tire is a substantial boost to their own financial performance and they are eager to get those savings.

I carry primarily domestic tires, and I have lost significant sales over the past few years because I have refused to carry a lot of Chinese imports. There has been a big shift in the market in recent years, with more fleets and owner operators switching to lower-priced Chinese tires to save money. In addition to losing sales volume to competitors that carry Chinese product, I have also seen Chinese tires hurt the price of domestic tires. Regardless of how a domestic brand may be classified within in a particular tier, it cannot withstand competition from Chinese tires priced as low as they have been and still maintain its sales volume unless it lowers its own price to compete. There are simply no rigid barriers between tires of different tiers that prevent imports from dragging down prices across the market. Price-sensitive customers compare prices across tires of different brands, and when the price of a competing brand gets low enough, they will and do change brands. This is a simple business decision.

The willingness of importers of Chinese tires to undercut domestic prices so aggressively has allowed to them gain significant market share and drive down domestic prices.

I want to thank you for letting me testify here today and hope that you will vote in the affirmative.