

Made in the USA Reports

A PUBLICATION OF THE MADE IN THE USA FOUNDATION

Vol. 26 No. 5 © Made in the USA Foundation—May, 2014

Manufacturing is Coming Back to the USA

After working on bringing manufacturing jobs back to the United States for 25 years, it is heartwarming that many jobs are returning. U.S. factory payrolls have grown for four straight years, with gains totaling about 650,000 jobs. That's a small fraction of the 6 million lost in the previous decade, but it still marks the biggest and longest stretch of manufacturing increases in a quarter century.

Loni Kane, president of Los Angeles apparel maker Karen Kane has moved most of its production back from China. Mr. Kane said, "We got to the point where everything we were bring in had to be inspected."

In 2001, Generac Power Systems joined the wave of American companies shifting production to China. The move eliminated 400 jobs in southeast Wisconsin. Now, however, Generac has brought manufacturing back to its Whitewater plant — creating about 80 jobs in a town of 14,500 people.

Several factors lie behind the trend in jobs coming back. Over the last decade, Chinese labor and transportation costs have jumped while U.S. wages have stagnated. The average hourly pay for non-supervisory manufacturing workers in the U.S. has barely kept up with inflation, rising on average just 2.3% over the last 10 years and by only half that since 2010, according to Labor Department figures.

Factoring in the rise in value of its currency, China's base wage, measured in dollars, has risen 17% a year, according to a report by the Boston Consulting Group.

Manufacturing also has become more automated, further reducing labor's

weight in the cost equation.

The boom in natural gas production in the U.S. has led to a 25% decrease in gas prices in the United States, contrasted with a 138% increase in China, Boston Consulting found.

Import Boom in Tires

Tires are an exception to the trend of a rebound in U.S. manufacturing. Imported tires now represent 70% of replacement tires sold in the United States, an all-time high. The 46 million tires imported last year from China eclipsed the previous high of 39.6 million, set in 2008. The gain in imports is due mainly to three countries—China, Indonesia (up 16.7 percent) and Taiwan (up 22.7 percent).

How do you know what tires are imported? Later in this article we will list the American codes that are on tires. But another federal law requires the country of origin to be on all imported products, including tires, in English, not in a complicated code.

Taking Action

The Made in the USA Foundation has given all U.S. major tire companies notice that it intends to file suit if it does not list the country of origin on its tires. Goodyear, Michelin, Firestone/Bridgestone all manufacture in the United States and import many tires as well, so be cautious.

The United States placed a 35% tariff on Chinese tires in 2009. This tariff expired in 2012. We should again increase the tariff on imported tires.

Unsafe Tires from China

In recent years, many Chinese tire manufacturers have come under attack for making substandard and unsafe tires for sale in the United States. Furthermore, some Chinese manufacturers have been the subject of forced recalls by many

state Attorney Generals and the Federal Trade Commission. While there are many variations of Chinese import tires that have come under attack, companies that have been the subject of forced government recalls include:

Westlake Tires

AKS Tires

Telluride tires

Compass Tires

All of these brands of cheap tires are made by the China-based Hangzhou Zhongce Rubber Company. According to government records, these tires lack even the most basic of safety features such as gum strips which are a rubber feature that helps prevent steel belts inside the tire from separating or damaging the rubber.

If you're searching for good values on discounted tires, consider tires from quality American manufacturers like Goodyear or Cooper Tires. All of these companies offer low-cost, high-quality tires that will fit most budgets.

Factory Codes

The U.S. Department of Transportation requires that every tire sold in the United States carry a code that looks something like this: DOT BE XX XXX XXX. The two letters or numbers that identify a particular factory in the United States as listed below:

A3: General Tire, Mt. Vernon, Illinois

A9: General Tire, Bryan, Ohio

AJ, AK, AL, AM, AN, AP, BA: Uniroyal/Goodrich, U.S. factories

B6, B7: Michelin, U.S. factories

BE: B.F. Goodrich, Tuscaloosa, Ala.

BF: B.F. Goodrich, Woodburn, Ind.

B plus serial #: Titan Tire, Bryan, Ohio

CC: Yokohama Tire, Salem, Va.

CF: Titan Tire, Des Moines
CK: Pirelli, Madison, TN
DA: Dunlop, Buffalo, NY
D2, E3, W1, Y7: Bridgestone/Firestone, La Vergne, Tenn.
JU, PC, UK: Goodyear, Medicine Hat, Alberta
JJ, MD, PU: Goodyear, Gadsden, Ala.
JN, MJ, PY: Goodyear, Topeka, Kan.
JE, MC, PT: Goodyear, Danville, Va.
JF, MM, PJ: Kelly-Springfield, Fayetteville, N.C.
JH, MN, PK: Titan Tire, Freeport, Ill.
PJ, PL: Goodyear, U.S. factories
UP: Cooper, Findlay, Ohio
UT: Cooper, Texarkana, Ark.
VE, YE, 8B: Bridgestone/Firestone, Des Moines, Iowa
W1, W2, YD, YE, YU: Bridgestone, Firestone, U.S. factories
YF, YH, YJ, YK: Dayton Tire, U.S. factories
YW, YX, YY: Sieberling Tire, U.S. factories
0B: Bridgestone/Firestone, Wilson, NC
2C, 4D, 5D: Bridgestone/Firestone, Morrison, Tenn.
6B: General Tire, Mt. Vernon, Illinois
7X, 9X: Bridgestone/Firestone, Graniteville, SC
8B: Bridgestone/Firestone, Des Moines, Iowa