

A close-up, low-angle shot of a tire tread, showing the grooves and sipes. Several parallel yellow lines are painted across the tread, following the direction of travel. The lighting is dramatic, with strong highlights and shadows, emphasizing the texture of the rubber.

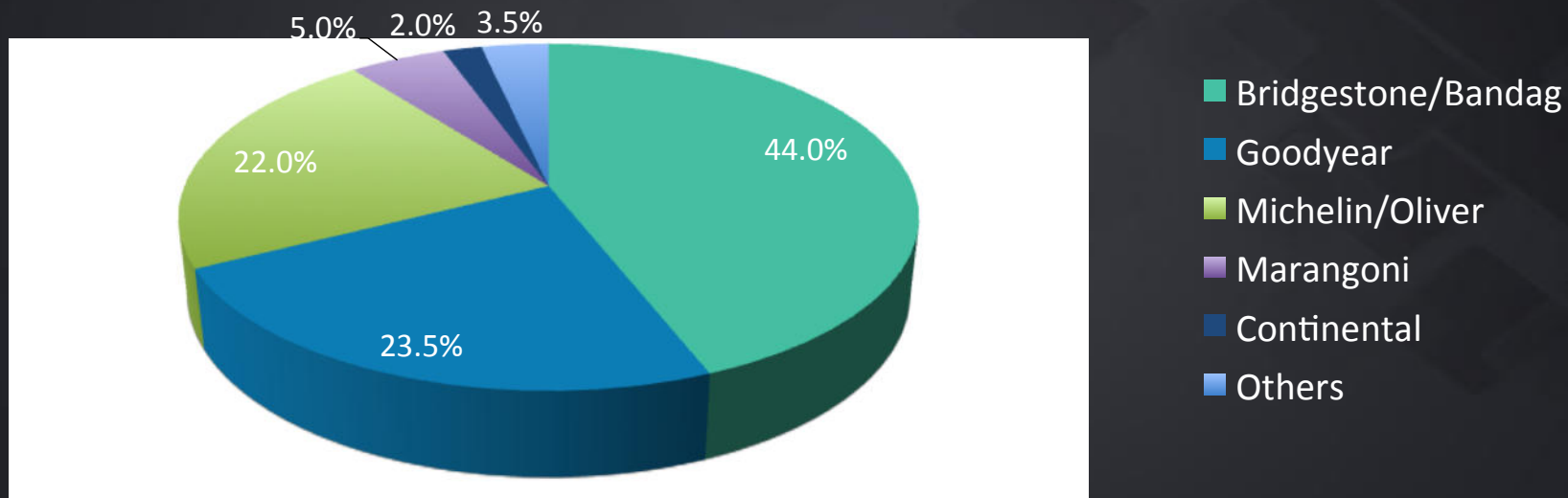
US RETREAD MARKET OVERVIEW

May 29, 2018

David Stevens, TRIB

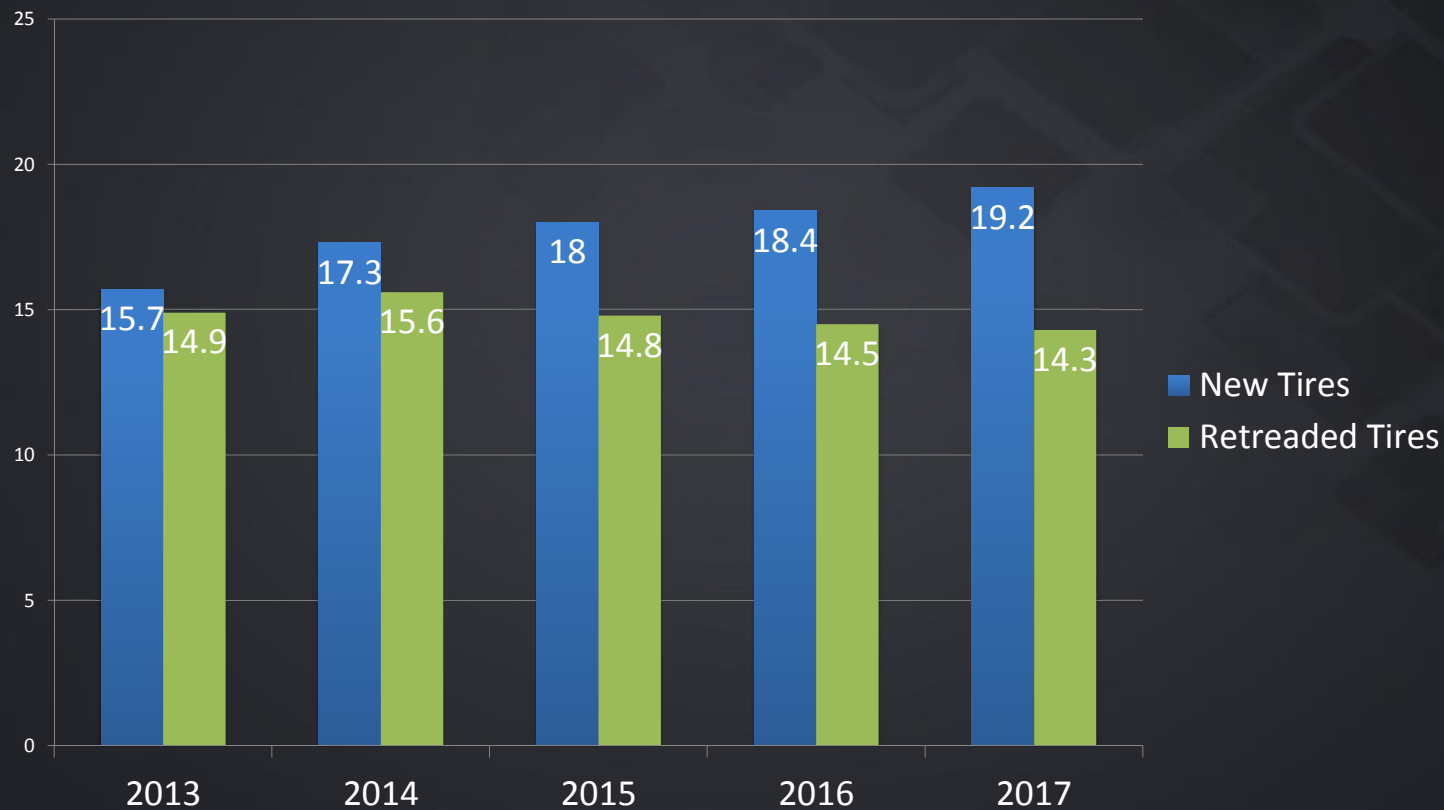
2017 US Market Share - Retreaded Truck Tires

Based on Units



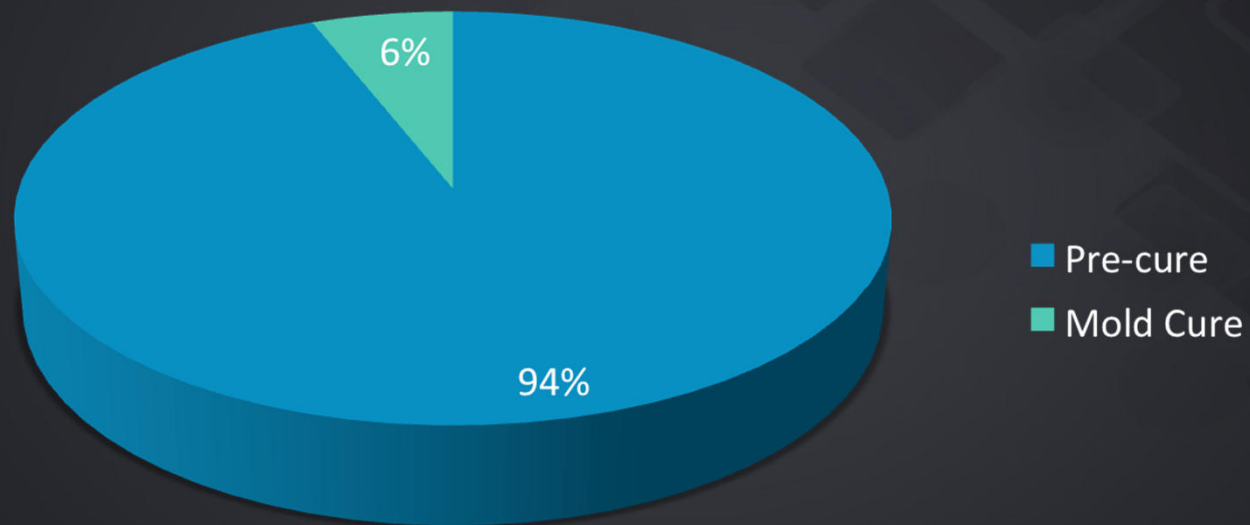
Source: Modern Tire Dealer

US Truck Tire Replacement Market (in millions)



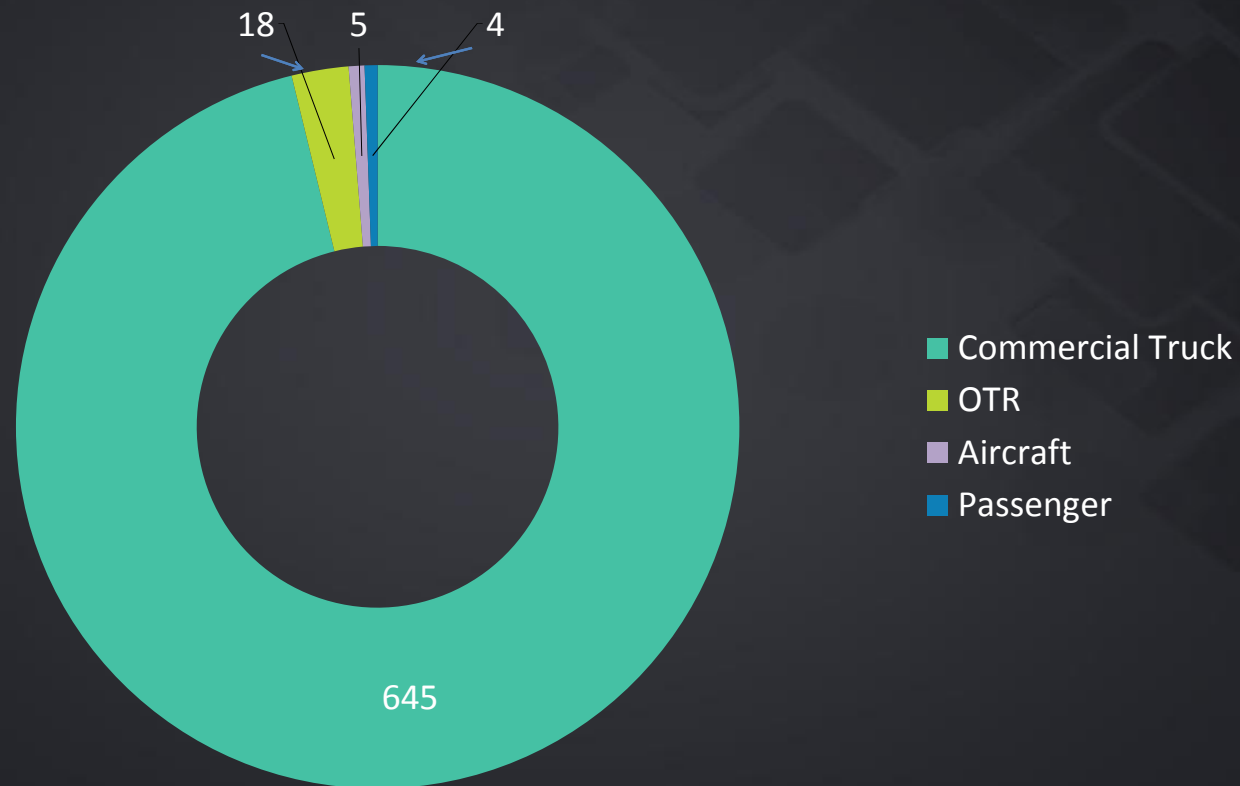
Source: Modern Tire Dealer

Commercial Truck Retread Processes in US



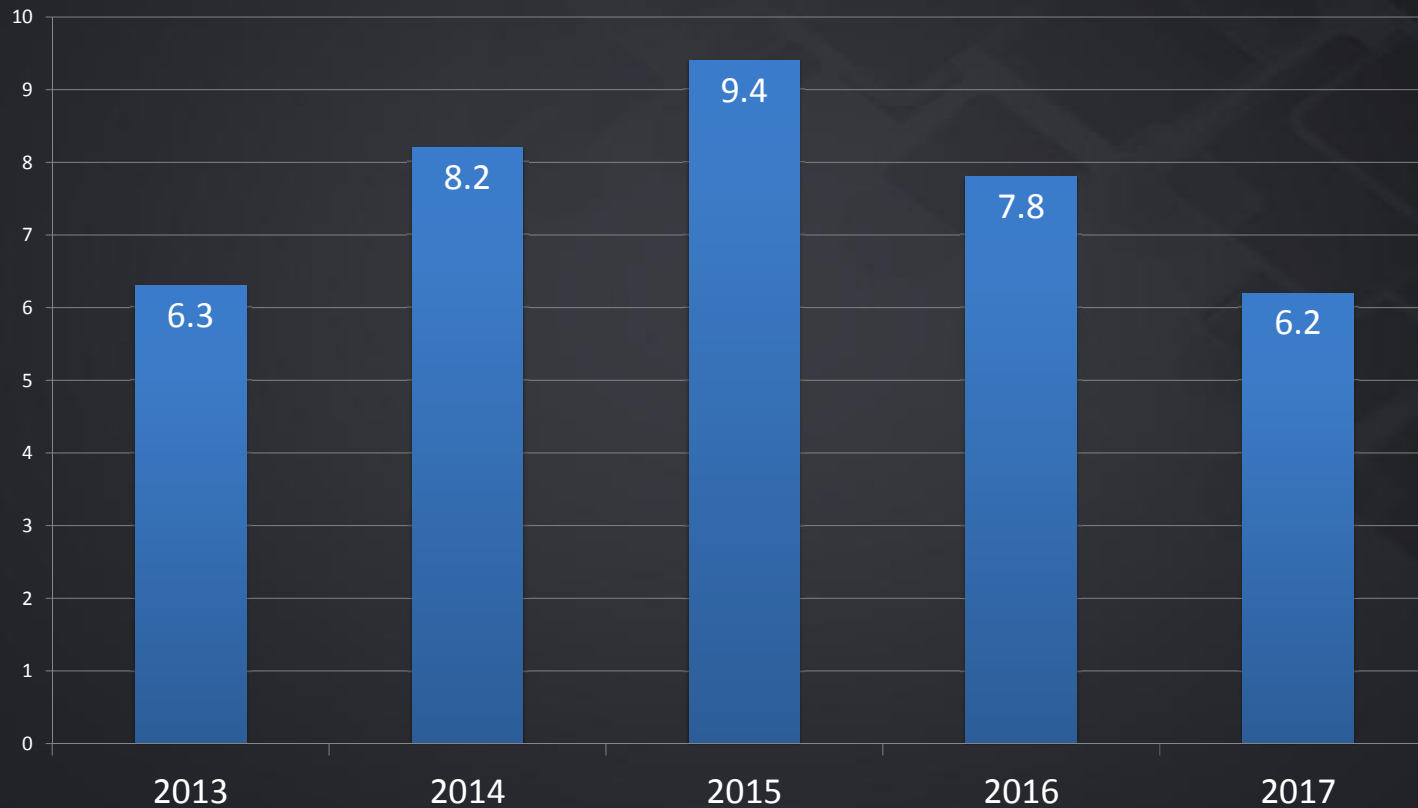
Source: Modern Tire Dealer

Types of Retread Plants in US



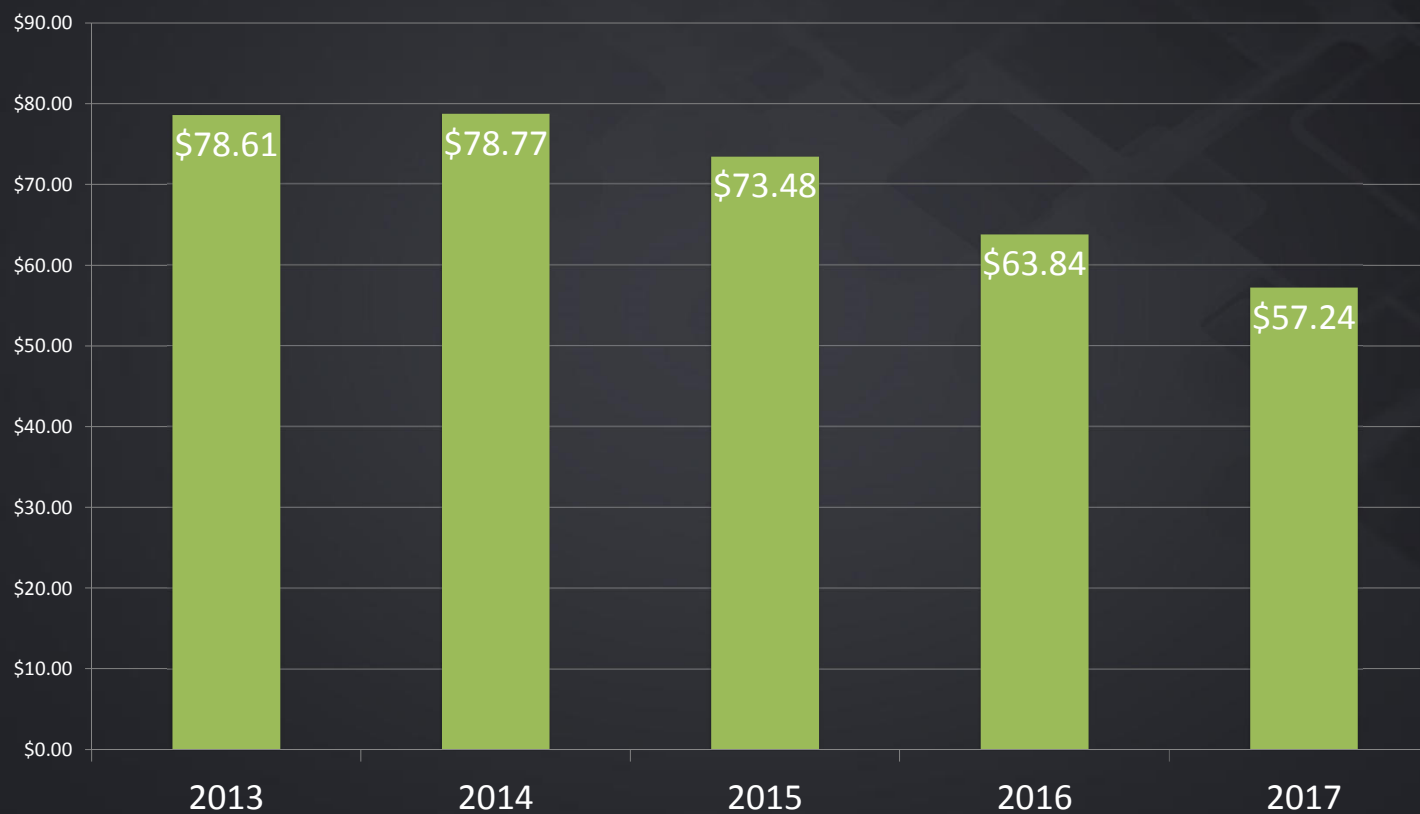
Source: Modern Tire Dealer

US Truck Tire Imports from China (in millions)



Source: Modern Tire Dealer

Average Casing Price in USD



Source: Modern Tire Dealer

Other Retread Data Points

11R22.5	2017	2016
Avg. Selling Price	\$231	\$245
Avg. Gross Margin	\$49	\$53

Source: Tire Review



POTENTIAL TARIFFS

Update on ITC Case

- November – USW files brief with US Court of International Trade challenging ITC determination
- January – motion for oral argument
- May – oral arguments to be held
- Early Summer – decision reached
- Efforts ongoing to fill ITC positions

Other Potential Tariffs

- Trump-proposed 25% tariffs on the following Chinese goods:
 - “Camel-back” strips of unvulcanized rubber, for retreading rubber tires
 - Retreaded pneumatic tires, of rubber, of a kind used on aircraft
 - Retreaded pneumatic tires (nonradials), of rubber, not elsewhere specified or included
 - Machinery for molding or retreading pneumatic tires or for molding or otherwise forming inner tubes
- Hearing at ITC scheduled for May 15
- Rebuttals due by May 22nd
- Who knows where we will be on May 29th



OTHER FACTORS IN US
RETREADING

Incentives in US Retreading

- Fleet Incentives & Testing
 - Retreading still has best ROI
 - Educational battle
- Increasing Incentives to drive retread sales
 - Sales Teams
 - Customers
 - Plants

Government in US Retreading

- Industry largely self-regulated, but no incentives provided by government
- Increasing risk from OSHA, IRS, and EPA
- Occasional state risks for legislation (OH, NH)
- Exploring EPR programs, but slow-moving

Retreaders' Approach

- Selling Quality with Price
- Full Lifecycle and Full Service
- Reducing Plant Costs
 - Reducing inefficiencies and increasing automation
 - Leveraging environmental resources: solar, recycling, grants
- Nationwide Campaigns by Manufacturers
- Truck Stops Entering Retread Market

Robotic Buffers



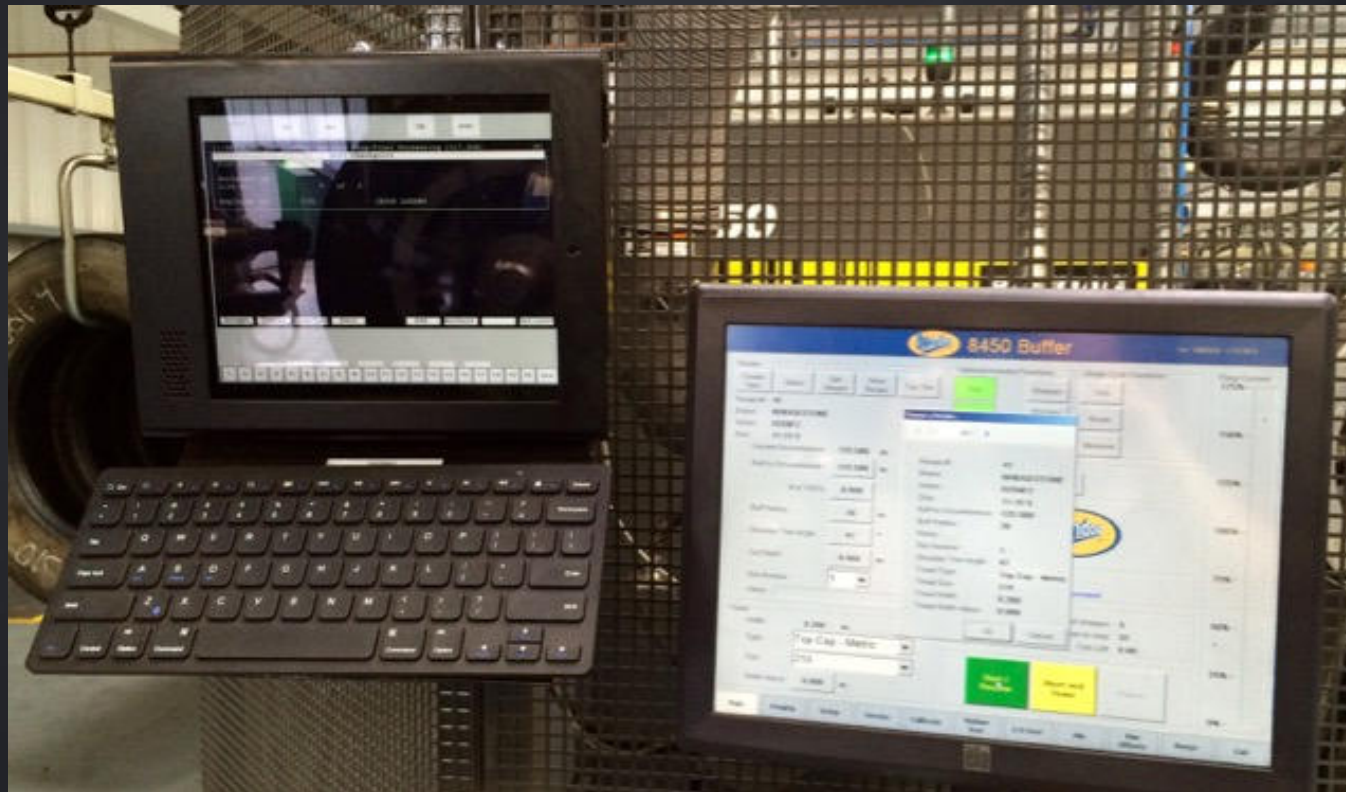
Robotic Hot Cure Production Island



Special Epoxy for Floors and Ceilings that reduce ambient temperature by 20 Degrees



iPad workstations that reduce costs, save space,
and increase productivity



Motion-sensitive LED lights for ceilings and workstations



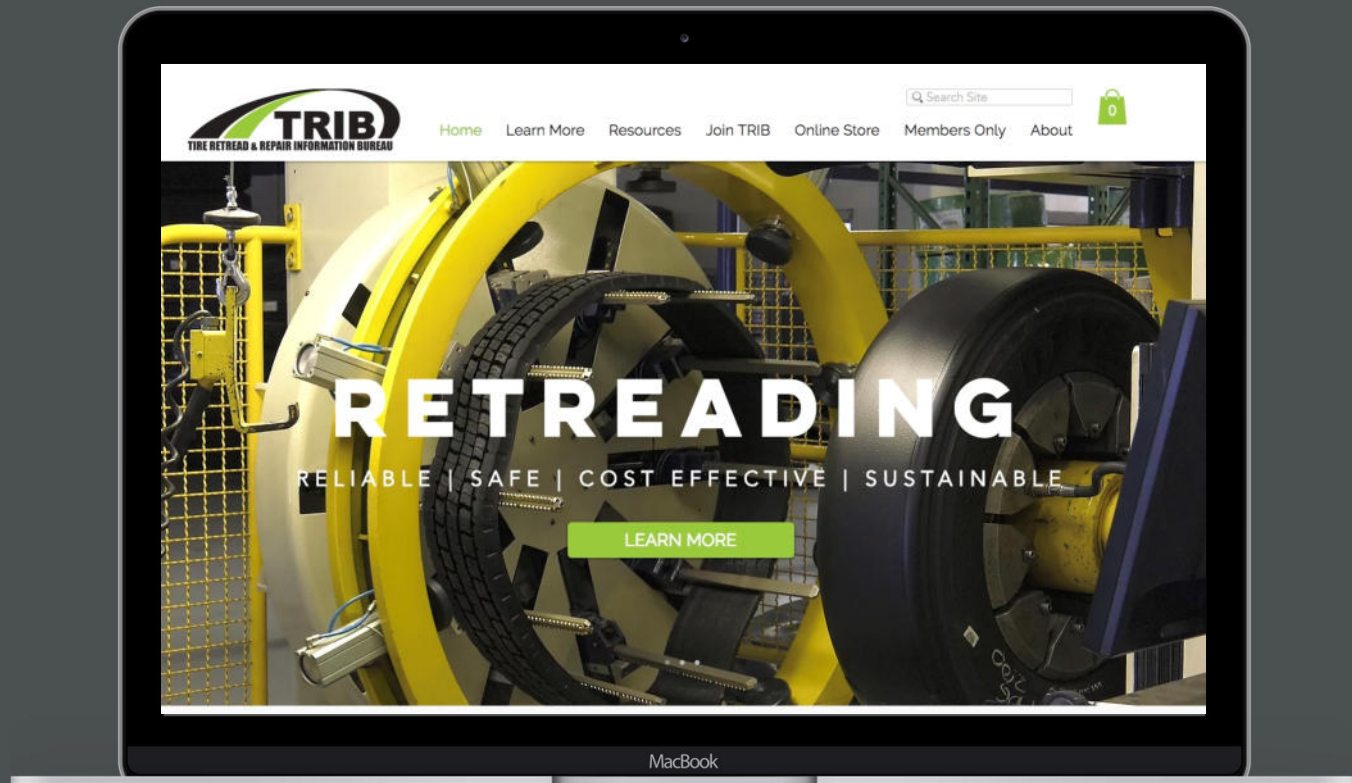
Continued Innovations in Service are Important to Attract and Retain Customers





TRIB RESOURCES

TRIB WEBSITE REDESIGN



VIDEOS



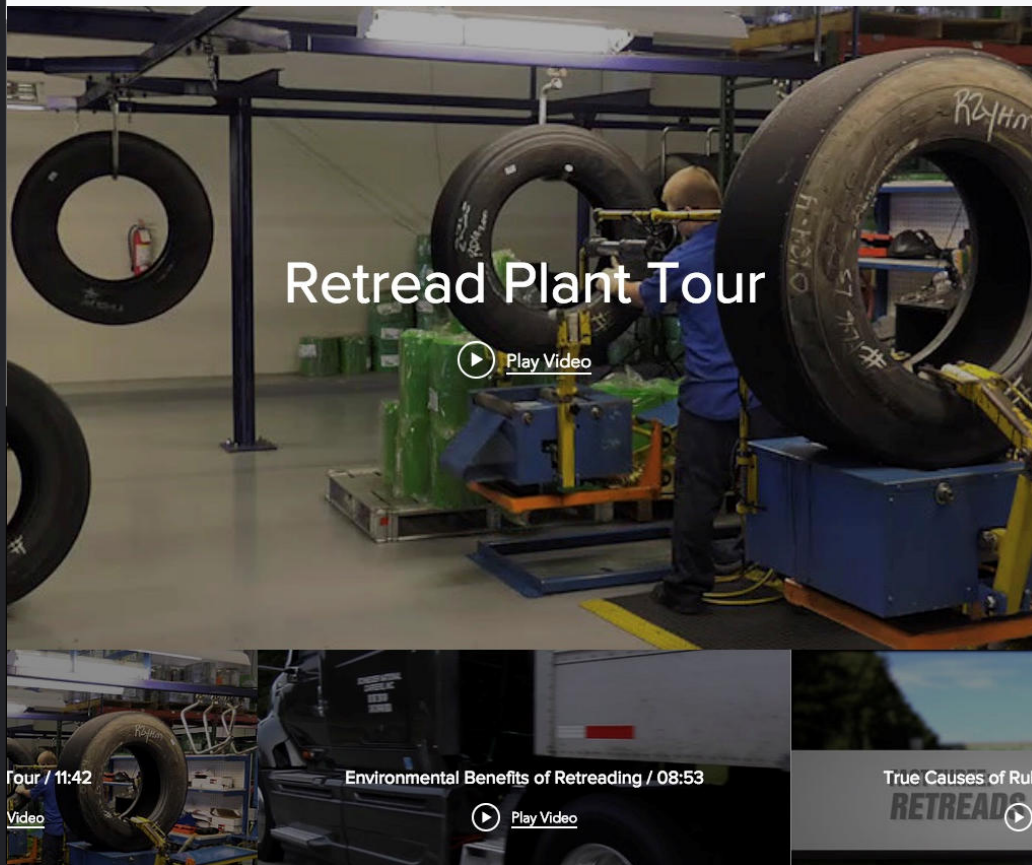
ONLINE STORE



RECOMMENDED
PRACTICES



FORUMS



RETREAD PLANT TOUR VIDEO

- MODERN UPDATE
- BOTH PRECURE AND MOLD CURE
- MULTIPLE PLANTS
- MULTIPLE BRANDS
- GREAT TOOL FOR MEMBERS

UNDERSTANDING RETREADING



WHY RETREAD?

RELIABLE · SAFE · COST EFFECTIVE

Whether you are a motorist looking for ways to stretch the family budget, or a fleet manager buying thousands of tires a year, costs must somehow be controlled in today's stringent economy. Truckers, airlines, construction companies, farmers and passenger car owners all purchase retreaded tires for one primary reason - to save money.

A retreaded tire costs less to produce than a new tire and sells for less - usually between 30 and 50 percent of the comparable new tire price. By using retreaded tires, the commercial and military aircraft industries save more than \$100 million a year. Retreading truck tires saves the trucking industry over \$3 billion each year. Retreading is an effective way to lower your tire costs too!

WHY ARE RETREADED TIRES SUCH A GOOD VALUE?

Most of the manufacturing cost of a new tire is in the tire body or casing. The tread - the portion of the tire that meets the road - accounts for only a small portion of the overall cost.

WHO WE ARE... THE RETREAD INDUSTRY

What is retreading? Simply put, retreading is the process whereby selected and inspected worn tires, called "casings", receive a new tread.

While most radial truck tires today are specifically designed to be retreaded multiple times, only sound, carefully inspected tire casings are used for retreading.

The worn tread is buffed away and a new tread is bonded to the tire body in a process very similar to the manufacture of a new tire. There are different processing techniques, but the ultimate objective is always the same - affixing a new tread through the application of heat, time and pressure.

operations producing 20 retreaded tires per day, to the very large plants processing 1,000 or more retreads per day. Additionally, there are plants that retread only specialized tires, such as those for off-the-road, farm and construction equipment. Altogether, these plants retread millions of tires a year which represents over \$3 billion in retreaded tires sold annually.

Trucking companies also retread millions of tires annually, and long-haul trucking companies are a major market for retreaded tires. Indeed, their profits would be seriously affected if they were unable to use retreaded tires. Radial truck tires are guaranteed by the new tire manufacturers to be retreadable. In fact, many tire manufacturers guarantee two or more

TRUCKING

UNDERSTANDING RETREADING

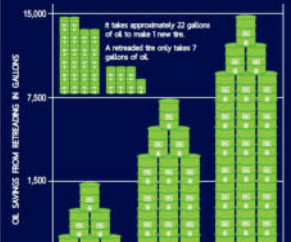
IF YOU WANT TO BE GREEN... RETREAD

FACT:

Retreading conserves oil. The synthetic rubber components in a new medium truck tire require approximately 22 gallons of oil, but it takes only seven gallons to retread.

It is estimated that nearly 300 million tires from cars and trucks are thrown away by Americans each year, but the use of retreads saves hundreds of millions of gallons of oil, and millions of tires continue a useful life rather than being consigned to a tire pile or landfill. In addition, retreading truck tires is the most environmentally sound way to dispose of worn tires.

OIL SAVINGS WITH RETREADS



THE RETREAD PROCESS CONTINUED

STEP 4: CASING PREPARATION AND REPAIRING



A PROPERLY REPAIRED TIRE IS INTENDED TO LAST THE LIFE OF THE NEW TREAD BEING APPLIED.

Injuries remaining in the tire casing after buffing can be repaired if the damage is within acceptable limits. The repair professional is trained to recognize which injuries can be repaired and which cannot. Where injuries are too extensive, the casing must be rejected.

WE HOPE THIS BOOKLET HELPS YOU BEGIN THINKING OF RETREADING AS A NORMAL PART OF A TIRE'S LIFECYCLE. IF YOU ARE NOT ALREADY FAMILIAR WITH THE PERFORMANCE AND ECONOMY OF RETREADED TIRES, PLEASE DISCUSS THE BENEFITS WITH YOUR LOCAL RETREADER OR CONTACT TRIB.

WE WILL BE HAPPY TO ARRANGE A TOUR OF A RETREAD PLANT IN YOUR AREA.

ADDITIONAL COPIES OF THIS PUBLICATION MAY BE ORDERED FROM TRIB OR TIA.



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THANK YOU!