

**Testimony of Craig Goshe**

**Hearing, Health, Education, Labor, Pensions Committee**

**“Midwest Jobs Picture: Strategies to Rebuild Communities”**

**October 8, 2008**

**Clean Energy Incubator at the University of Toledo**

## **Midwest Jobs Picture Strategies to Rebuild Communities**

Good Morning, I would like to take a moment to thank Senator Brown for holding this hearing and inviting me to be a part of it.

My name is Craig Goshe from Tiffin, Ohio I have been a resident of Tiffin and Seneca County all my life, I have been happily married for almost 28 years and have three children who all now have successful careers in different fields.

Until the fall off 2007 I had planned to finish my career at American Standard where I had been employed for over 31 years. In 2000 I was elected to the Executive Board of GMP Local 7A representing the work force. American Standard provided a very good place to work for over 750 people up until 2003. At that time American Standard moved much of its operations to Mexico and overseas. The layoffs continued over the next several years until the work force was at 165 hourly employees, all of whom were ranged in age from 40 to 60. This was a very senior work force, all hard workers who had given all of their adult life to American Standard.

In the 2004 negotiations, realizing the competition with global markets we gave concessions in wages and in health care. Early in 2007 American Standard announced that it was trying to sell the bath and kitchen division, which we were a part of. During the 2007 negotiations we were told that with our facility being one that American Standard was trying to sell that we needed to give the Company some relief to make us more attractive to a new buyer. Hearing this from a Company that was rewarding its CEO with millions of dollars in stock options every year, was not easy. But again we gave concessions in wages, health care, and pension benefits. In September the bath and kitchen division was sold to Bain Capital. In late October Bain Capital sold us to Sun Capital. Then in November, myself, along with three other members of the Executive Committee, were called into a meeting with

Executives of Sun Capital to tell us that they were considering closing our facility due to excessive inventory, high labor cost and a slow housing economy. The Company presented us with total labor and benefit cost in Mexico at \$3.77 per hour compared to \$27.00 per hour in Tiffin. Even though we were the most productive and highest quality plant in all of the division we knew we could not compete. Local government got involved offering the Company 6 million dollar tax incentives over the next ten years. Our committee asked what it will take to keep the plant open. The Sun Capital never responded.

On December 3<sup>rd</sup>. we were given the WARN Notice and Sun Capital stated that they were prepared to enter into severance negotiations. During these so called negotiations the Company refused to move on any of our proposals and only provided the employees with what was only required under the Warrant notice.

For 165 hourly workers along with almost 30 salaried employees this closing was devastating. Workers were faced with many questions such as where will I find a job in a area that has already lost over 1000 manufacturing jobs over the last 15 years? How will I be able to provide healthcare for my family? Many of the workers have developed health issues because of the environment that they have worked in over the last 30 to 40 years.

Immediately following the announcement of the plant closing Local 7A applied for Trade Adjustment Relief. We contacted Senator Brown and with his assistance the employees of American Standard were granted TAA and ATAA benefits. Of the 194 employees that lost their jobs 147 attended the informational meetings provided by job and family services. Sixteen employees enrolled in training and forty-seven applied for the wage supplement. Approximately fifty percent of the workers were able to retire at a full pension or slightly reduced. However the other fifty percent were left with finding a new job in an area that the unemployment rate is at 7.2%, and trying to find affordable healthcare. Also for these employees their pensions being frozen till age 65 or taking it early at nearly a 50% reduction. Good paying jobs in Tiffin and the surrounding area are few and far between, the benefits that were provided through TAA were essential to many of my past co-workers, whether it was wage supplement by being forced to take a job at half the pay that you were accustomed to or extended unemployment and training to provided you an opportunity for a better job. I have been

fortunate. I was able to find a position in management at a facility in Fostoria; however, this past week I was forced to layoff 15% of my work force due to the economic crises that this country now faces. This was extremely difficult for me considering I know what these workers must now face.

In closing, I cannot express enough to our elected representatives the importance of continuing trade assistance for displaced workers. I also hope that our government realizes that NAFTA must be changed to provide the American worker an even playing field in the future. Millions of jobs have been lost to Mexico, China, South America and other countries. This trend must not continue. Over the last two weeks our Government has asked that Main Street bail out Wall Street. Now our Government and Wall Street must provide the opportunity of employment to the workers of America. If Main Street is not working it is not buying.

Again, thank you for providing me the opportunity to express the feelings of myself and many of my past co-workers.