



Leo W. Gerard
International President

November 13, 2006

United States Senate
Washington, D.C. 20510

U.S. House of Representatives
Washington, D.C. 20515

Dear Senator/Representative:

On October 5th, 15,000 members of the United Steelworkers (USW) union began withholding their labor at 16 Goodyear Rubber and Tire facilities in the U.S. and Canada.

This action followed months of efforts by our bargaining committee to convince Goodyear to relent in its demand to close yet more production facilities in North America and to further abandon its obligations to sustain meaningful health care coverage for some 30,000 retirees.

Our efforts to reach an agreement on these crucial issues proved fruitless despite the fact that three years ago, our union engaged Goodyear in an innovative agreement that allowed one U.S. plant in Huntsville, Alabama to be closed, but nonetheless provided for investment in North American production and crafted changes to health care coverage that virtually brought Goodyear back from the brink of bankruptcy.

These innovations have proved instrumental in resurrecting Goodyear's fortunes, and included significant cuts to wages, health care benefits and pensions. But instead of sharing the rewards that have flowed from these cooperative efforts, Goodyear has been adamant in demanding further plant closings and radical changes to retiree health care coverage that would do immeasurable economic harm to our members and their communities and effectively destroy health care security.

Goodyear's demand to shut more plants and abandon its health care obligations betray much more than disrespect for the innovations and sacrifices our members initiated and agreed to in the last negotiation, they put Goodyear – an icon amongst U.S.-based corporations – in the forefront of the rush to offshore American manufacturing.

Indeed Goodyear is attempting to effectively walk away from its obligations for current and future retiree health care by proposing to cover only 50-cents on the dollar on its liabilities, unloading these escalating obligations on the union, and bidding us “good luck” in the volatile health care marketplace.

In addition, the company continues to posture about its commitment to its U.S. facilities while systematically moving toward ever-increasing offshoring of production to China and other low-wage countries, as evidenced by the information in the enclosed fact sheet.

If Goodyear’s demands are allowed to stand, the offshoring of U.S. manufacturing to countries where health care costs are subsidized while labor rights and environmental standards are virtually, if not literally, non-existent, will accelerate dramatically— exacerbating a loss of family-supportive livelihoods that has already risen to more than three million U.S. jobs, a decline that by turns is effectively undermining the economic security of the nation’s middle class.

Our members can no longer endure this assault on their basic living standards. Simply put, enough is enough.

It is essential that Goodyear stay committed to investing in American production, instead of abandoning American workers, retirees and their communities to a global race to the bottom in pursuit of cheap labor and unregulated foreign markets.

The time is now to stop the disastrous decline of America’s industrial base. We are prepared to work cooperatively and innovatively to ensure the survival of U.S. manufacturing, and we will continue to urge Goodyear to join us in that effort.

Sincerely,



Leo W. Gerard
International President

LWG/rdb

Enclosure

Goodyear Is Abandoning American Production, Workers and Communities

Despite the Goodyear Tire and Rubber Company's public posturing about being committed to U.S. production, there is growing evidence that the company is abandoning its American plants, workers and communities through systematic offshoring to China and other low wage countries.

In addition to closing its Huntsville, AL plant three years ago, Goodyear's demand in current negotiations to close another plant has been a major factor in forcing a strike by 15,000 USW members whose livelihoods and communities would be devastated by the closings. Here are the facts:

- In April 2004, Goodyear spent \$52 million to increase its share of ownership in Sava Tires in Slovenia to 100 percent.
- In July 2004, Goodyear announced plans to invest \$50 million to add radial tire capacity by investing \$50 million at its plant Cali, Columbia, the nation with the world's worst record of violently oppressing trade union activists.
- In August 2004, Goodyear announced it was investing \$15 million to expand truck tire production at TC Debica, its subsidiary in Poland.
- In November 2004, Goodyear announced it was transferring production of its Steelmark radial truck tires to Triangle Tire Co.'s Qingdao, China facility. This low-priced tire was previously made in Danville, VA.
- In April 2005, Goodyear reported that it would boost procurement from China tenfold in the next five years, mostly tires from other companies, i.e. third-party sourcing. Goodyear's CEO Robert Keegan told Rubber and Plastics News that tires were being exported to Europe and the U.S. to offset the decline in demand in the China passenger market from 2003 to 2004.
- In June 2005, Goodyear refused to reveal what percentage of the tires that it sells in North America are made on the continent, but did tell Rubber and Plastics News that it looked to "double the number of tires it sources from overseas to 10 million units annually."
- In July 2005, GT announced an \$18 million investment in its Dalian, China plant for run-flat tire production to be sold domestically and for export.
- In January 2006, GT purchased the remaining 50-percent share in South Tyre of Australia for \$40 million, plus assuming \$50 million in outstanding loans
- Goodyear is stepping up exports from its Dalian, China subsidiary, where capacity will reach 5.3 million passenger car tires annually by early 2007, up from 1 million as a result of a five-year \$120 million investment project.