

Continental Tire of North America (CTNA):

Devastating North American Retirees

After stopping tire production at its two remaining unionized facilities in the United States in 2006, Continental Tire of North America has dramatically reduced payments for retiree health care in the United States. Today, Continental Tire only pays \$3,000 per year for health care insurance that can cost as much as \$15,000 annually. The remainder must now be paid by the individual retiree.

Thousands of workers spent their entire careers working for Continental with the expectation that the company would pay for retiree health insurance. Now, after thirty years of service or more, retirees are being forced to pay as much as \$12,000 per year for health insurance for themselves and their families!

Since Continental retiree pensions are among the lowest in the U.S. tire industry, many former workers are being forced to choose between poverty and no health insurance; health insurance premiums can cost some retirees as much as 90% of their pensions! This choice between poverty and no health care is a difficult decision that no one should have to make.

Even retirees who are 65 years of age or older and are eligible for the government-funded Medicare program are being hit hard by Continental's cuts to retiree healthcare. Under the Continental plan, supplemental medical insurance for those eligible for

Medicare will cost approximately \$1,200 a year.

For anyone in the U.S., the prospect of going without proper health insurance can be devastating, but the risks are especially high for workers who have spent their careers in the tire industry. Accumulated published epidemiologic and medical literature indicates that workers in the rubber industry suffer excess mortality rates from heart disease and from various types of cancer including leukemia, lung cancer, bladder cancer and cancer of the larynx.

When retirees with these serious sicknesses are unable to afford health insurance, the cost of medical procedures must be paid for by the public. Continental AG has cleverly figured out how to shift costs to the public while abandoning its social responsibility to its retirees.

Since health care insurance in the U.S. is employer-based, public hospitals are over-burdened and the quality of health care is not what these former Continental employees ever expected to receive in retirement. Waiting endless hours in emergency rooms that were established to serve only the critically sick and injured or at over-crowded and under-funded clinics is the typical way to receive medical care if one does not have employer health care insurance in the U.S. Delays in receiving prompt medical attention are often deadly.

Continental Tire is the only major tire company in the U.S. to dramatically increase the cost of health care insurance and place the major burden on its retirees.



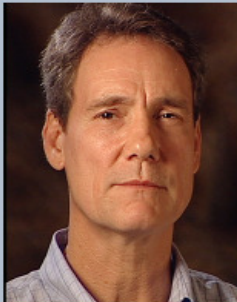
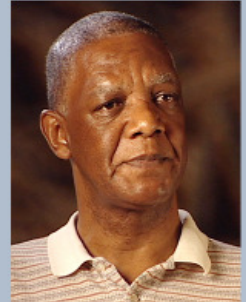


Continental Tire: Sticking It to its Workers, Retirees and U.S. Taxpayers

Ellis Nelson- Retiree with 31 years of service in Charlotte

Ellis Nelson started working for General Tire in 1969. He spent most of his 31 year career with the company as a “Compounder” before retiring in 2000. Ellis and his wife Rose still live in Charlotte, but both of them have fallen into bad health. Several years ago Ellis had to undergo an invasive back surgery and he still experiences back pain to this day. In a couple months, he is scheduled to undergo a hip replacement procedure—both of these ailments are likely products of years of hard labor in a tire factory. Still, Ellis spends most of his time taking care of his wife, Rose who is in advanced stages of Alzheimer’s.

The Nelsons simply cannot afford to go without health insurance, so Ellis must now spend \$1,011 of his \$1,126 monthly pension on health insurance premiums for himself and his wife.



Larry Little, Retiree with 32 years of service in Charlotte

After coming home from Vietnam in 1972, Larry Little started his civilian career as a tire builder at the General Tire plant in Charlotte, North Carolina. He stayed with the company until 2004 when he retired at the age of 53 after having reached the mandatory 30 years to receive a full pension. Just months after he retired, in December of 2004, heart problems forced Larry into the hospital where he underwent quadruple bypass surgery.

Now that Continental has implemented its cuts to retiree health care payments, Larry pays a premium of \$400/month. Together with the newly raised prescription drug costs Larry is paying close to \$550 a month for health care. Because of this increased cost Larry is looking for another job but he says finding work is tough because “my body just isn’t what it used to be.”

Bill Granata retired after 34 ½ years at the Charlotte Continental plant

Bill Granata started working for General Tire when he was just 18 years old. He took pride in his work, spending the first 20 years of his career as a tire builder and then the last 14 ½ in the warehouse. When it was announced that a massive round of layoffs would be coming in early 2006, Bill and several other older workers decided to retire to allow the younger workers with young children to stay on the job.

When Continental implemented its cuts to retiree health care payments, Bill looked for coverage under other plans, but because of his poor health he could not find another health insurance provider. “I can’t get insurance elsewhere because nobody wants to cover me after having prostate and skin cancer.” Until the changes in healthcare went into effect Bill made regular visits to specialists to make sure the cancers did not come back. But now he has stopped seeing most of those specialists because of the high cost of doctor visit fees.

Right now Bill spends around \$550 of his \$1,600 monthly pension on health insurance for himself, but his wife is currently uninsured. “We wouldn’t be able to afford premiums of \$1,100/month (for full family coverage under the Continental plan) even if I was still working!”



Bruce Nash, retiree with 34 years at Continental in Charlotte.

Bruce Nash was just 18 years old when he went to work at the General Tire plant in Charlotte, North Carolina in 1972. While Bruce was working, he and his family had a good life on his union wages and both of his children went on to college without scholarships. Bruce spent 34 years with the company before retiring at the age of 52. Now, after spending his entire working life with Continental, Bruce is looking for other work because his \$1,400 pension isn’t enough to cover the high healthcare premiums.

Bruce feels that the company is going back on its word by cutting health care now that he’s too old to start another career. “Folks in these parts don’t mind working for a living but they take offense to being taken advantage of...Life expectancy has increased but mine has not because I can’t afford health insurance.”