

Resolution 10-1-06

Mayfield City Council Resolution Supporting Members of the United Steelworkers' to Negotiate a Fair Settlement with Continental Tire of North America.

WHEREAS: Continental AG was founded in Hanover, Germany in 1871. Manufacturing included soft: rubber products, rubberized fabrics, and solid tires for carriages and bicycles.

WHEREAS: The acquisition of General Tire Inc. headquartered in Akron, Ohio in 1987 provided the company with four plants in the United States (Bryan, Ohio; Mount Vernon, Illinois; Mayfield, Kentucky and Charlotte, North Carolina). In 2001, the company was renamed Continental Tire of North America, Inc. (CTNA)

WHEREAS: The United Steelworkers (USW) Local 665 and its predecessor unions have been representing the Graves County workers since 1962. The USW also represents CTNA workers in Charlotte, NC and Bryan, OB.

WHEREAS: In 1999 USW Local 665 and CTNA negotiated a six year contract.

WHEREAS: In the midst of the contract in 2003, CTNA requested a \$35 million per year decrease in labor costs in order to maintain tire production at the Graves County facility. Total annual wages of the workers were only \$55 million. There were no job security provisions offered and CTNA did not present any proposals for saving the \$35 million dollars.

WHEREAS: CTNA refused to agree to Local 665's submitted proposals for labor cost savings, finally eliminating tire production in Mayfield, Kentucky in December 2004. Entire product lines, machinery and other equipment have been dismantled and shipped to Mexico, and other Continental facilities.

WHEREAS: The Graves County work force was reduced from 1,200 in 2003 to less than 100 as of July 2006 through a succession of lay-offs.

WHEREAS: For years CTNA has maintained a hazardous landfill located on facility grounds to prevent groundwater contamination. Through remediation procedures, CTNA agreed to comply with EPA clean up standards to ensure that the Graves County ground water supply remains safe for use. Six million gallons of water have been pumped away daily from the contaminated area and discharged.

WHEREAS: CTNA and the EPA have altered the remediation procedure for the landfill to reflect the loss of tire production at the facility. Currently 1.6 million gallons of water are pumped away daily from the landfill site. WHEREAS: On July 5, 2006, the NLRB issued a

complaint against CTNA for violations of the National Labor Relations Act based on conduct at the Charlotte facility. The NLRB will hold a hearing in Charlotte to determine a resolution to the charges against CTNA.

WHEREAS: CTNA has shown a pattern of eliminating its North American operations by demanding impossible wage and benefit cuts, ending tire production and dismantling and moving tire building equipment to foreign facilities. In July 2006, it also ended tire production in Charlotte, NC after demanding a \$32 million dollar decrease in labor costs during contract negotiations.

WHEREAS: On August 2, 2006 CTNA scheduled a complete shutdown of the Mayfield facility by February 1, 2007.

WHEREAS: Displaced workers have been forced to rely on state and federally funded socio-economic programs like Trade Adjustment Assistance, unemployment insurance and health care tax credits to compensate for the wages they made as employees of CTNA. The economic impact of CTNA job losses have been significant to the Graves County community.

WHEREAS: The United Steelworkers Union, USW Local 665 and its affiliates have declared it will no longer support the purchase of Continental Tire products. A boycott of Continental Tire products has been approved and endorsed by the AFL-CIO.

THEREFORE BE IT RESOLVED: The Mayfield City Council stands in support of current and former workers and more than 1,200 retirees of CTNA, members of USW Local 665.

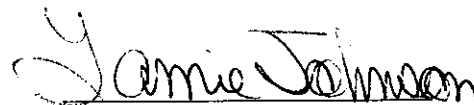
THEREFORE BE IT FURTHER RESOLVED: The Mayfield City Council encourages dialog between CTNA and Local 665 in order to create fair severance packages for displaced workers, and to continue providing health care for all CTNA employees and retirees.

THEREFORE BE IT FURTHER RESOLVED: The Mayfield City Council also encourages CTNA to comply with all state and federal environmental and labor laws.
BE IT FINALLY RESOLVED: Members of the Mayfield City Council will publicize the Courts' position in a written press statement.

This the 11th day of September, 2006.



Arthur Byrn, Mayor



Tamie Johnson, City Clerk