

MELVIN L. WATT
12th DISTRICT
NORTH CAROLINA



COMMITTEE
FINANCIAL SERVICES
JUDICIARY

Congress of the United States
House of Representatives
Washington, DC 20515-3312

September 5, 2006

Mr. Alan Hippe
President and CEO
Continental Tire North America
1800 Continental Boulevard
Charlotte, NC 28273-6388

Dear Mr. Hippe:

I recently met with some of the employees of Continental Tire North America's Charlotte Plant (CTNA) who are also members of the United Steelworkers Union (USW) Local 850.

In that meeting, I was briefed on the employees concerns that CTNA has intentionally: 1) prolonged contract negotiations with the USW until after the labor agreement was set to expire in order to implement its own concessions without USW input; 2) avoided closing the Charlotte facility to avoid paying benefits associated with an official plant shutdown and 3) increased health care premiums for retired employees to make the coverage unaffordable, potentially forcing retirees to drop their retirement based health care coverage.

If accurate, these charges are extremely distressing to me, as well as violative of the spirit (if not the letter) of the law and inconsistent with the usual high ethical and legal standards normally adhered to by employers doing business in my Congressional district. I certainly hope that CTNA will reevaluate the recent modifications of its operations at the Charlotte plant and reengage the USW in negotiations so that an agreement can be reached that is in the best interest of the employees who have worked so hard over the years to make CTNA a success and is consistent with the high standards employers in this area have demonstrated.

Sincerely,

Melvin L. Watt

CC: Mr. Mark Cieslikowski, President of USW Local 850

PLEASE REPLY TO:

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