

**North Carolina AFL-CIO Resolution Supporting Members of the United
Steelworkers' Local 850 Efforts 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, and production involved forced labor camps in Germany and Poland during WWII

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 850 and its predecessor unions have represented workers in the Charlotte facility since May 14, 1968. The USW also represents CTNA workers in Mayfield, KY and Bryan, OH.

WHEREAS: In October 2005, Local 850 and CTNA began negotiations for the labor agreement which was set to expire on April 30, 2006. The company demanded a \$32 million dollar decrease in labor costs in order to maintain tire production in Charlotte.

WHEREAS: USW Local 850 made numerous proposals for major contract concessions to keep the plant open and dramatically improve its operations, all of which were rejected out of hand by CTNA;

WHEREAS: When the contract expired on April 30, 2006 CTNA cut off formal negotiations with Local 850 and changed terms and conditions of employment, including pay rates, benefits, job classifications and seniority provisions.

WHEREAS: Eight days after implementing new terms and conditions of employment CTNA announced it would cease tire production altogether at its Charlotte facility in July 2006.

WHEREAS: The hourly work force has been reduced from nearly 1,075 in July 2005 to less than 100 as of July 2006 through a succession of lay-offs in March, May and July of 2006.

WHEREAS: On July 5, 2006, the National Labor Relations Board charged CTNA with major violations of the National Labor Relations Act due to CTNA's alleged refusal to provide the union with sufficient information to engage in meaningful bargaining and its unlawful implementation of new terms and conditions of employment. The NLRB will hold a hearing in Charlotte to determine a resolution to the charges against CTNA.

WHEREAS: All tire production ceased in Charlotte on July 7, 2006. Entire product lines, machinery and other equipment have been dismantled and shipped to Mexico,

Brazil, Malaysia and CTNA's only non-union plant in the U.S. Severance pay or shutdown benefits have not been provided for any of the displaced workers.

WHEREAS: Health care premiums for active and retired workers were dramatically increased which will require many retirees to use three-fourths or more of their pensions to pay for health care, or drop health care coverage altogether. Many CTNA employees will be forced to choose between poverty and having decent health care.

WHEREAS: Many, if not most retirees, made a decision to retire based on the promise that after working 30 years at CTNA that they would receive retiree health care, and believe that this company has an obligation to continue to provide affordable retiree health care;

WHEREAS: This German company's long-standing obligation to provide retiree health care is being passed from CTNA to state and government public aid programs which will constitute a major and unfair subsidy to the company paid for by taxpayers;

WHEREAS: Displaced workers will be 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 are expected to be significant to the Charlotte community.

WHEREAS: The United Steelworkers Union USW Local 850 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 National AFL-CIO.

THEREFORE BE IT RESOLVED: The North Carolina AFL-CIO supports the efforts of the current and former workers of CTNA, members of USW Local 850 to settle all unresolved issues for CTNA employees and retirees.

BE IT FINALLY RESOLVED: The North Carolina AFL-CIO will urge its affiliates to support the national boycott and the efforts of USW Local 850 against Continental Tire. .