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FROM THE PRESIDENT'S DESK
by Jim Wansley

Last week I attended a meeting of the Goodyear Global Union Network, hosted by Local 2 in Akron, Ohio. Representatives from twelve countries attended the two-day meeting. The Goodyear Global Network was created by USW President George Becker in 1999 to allow those unions who have to deal with Goodyear across the globe to examine the company's status periodically, to share information about working conditions and to develop future strategies. In a world where global companies like Goodyear often deal with more than one international union, unions have to become global as well and have to coordinate their efforts in dealing with those companies.

It soon became obvious that Goodyear is Goodyear, whether you're a worker in this country, or in South Africa, France, Poland, Germany, Turkey or South America and having to deal with the company's overall global strategy. Our experience with Goodyear in these latest negotiations is mirrored across the world, as every location is played off against every other location across the globe to gain concessions and create uncertainty for workers in those plants.

USW Vice-president Tom Conway will head the Steering Committee for this network. Goodyear Vice-president of Global Human Relations Jim Allen met with the group on the last day of the conference. One area the group will focus on is Health and Safety concerns across the globe, he was told by those attending the conference.

As to our situation in this country, Goodyear just announced the sale of its Engineered Products Division worldwide to the Carlyle Group for an estimated $1.475 billion. The USW will, under our Master Agreement's successorship language, insure that those locations covered by the agreement have contracts that are in line with their current contracts, once the sale is approved and in the process of being finalized.

Right now, Goodyear is riding high. The recent Master Agreement with the USW pleased Wall Street. Selling Engineered Products makes their bottom line look even better to those same Wall Street investors and analysts. However, it leaves the company with all its eggs in one basket. Goodyear will then be what Sir James Goldsmith set out to make it some years ago, a tire producer with little or no diversity. And there is a problem with that, one that will become more apparent during the next few years.

The problem is simply this: only one or two of the tire plants have been meeting their goals and producing to expectations. Goodyear has won the right to close Tyler, which was arguably the best of the lot, both prior to the strike and since. Once the company has finished realizing the expectations set for it by analysts and investors, an inability to run the tire plants well will come home to roost. The reality is that Goodyear is a company being run more and more by people who don't have the background to produce tires. The more they expand their control into the day to day operation of the tire plants, and the more they run off people with tire manufacturing background, the more their realizations won't be realized.

In this business, you can't just cut your way to success. You have to produce more to be successful, which in a labor-intensive industry like producing tires means keeping enough people in place to get the tires. And you have to have people running the factories that know the business, people who have come up from the floor. People who have that background aren't running Goodyear today and it shows. It will show even more as time goes by.

Right now the backlog of unmet orders is building. It won't get better as time goes by, I don't believe. It will get worse. I will do whatever I can to bring that to the attention of those running this company. Closing one of their best producing facilities is a bad business decision. I won't quit making that point to them, over and over.

Pension and Insurance Notes

by Sherrell Brown

WORKER'S COMPENSATION CHANGES COMING MAY 1

Texas laws have changed again for the injured worker. No longer will you be able to pick the doctor of your choice. Now you must pick a doctor from the Liberty Mutual network because they are Goodyear's carrier. Once again it seems the lobbyist in Austin have won for big business. However these are the rules and we must abide by them. If you are now treating with a doctor because of an industrial accident and he is not going to be in the network you will have to change doctors by May1. At the time of this writing Liberty Mutual still does not have a complete list of doctors. We are trying to get doctors we would like to see on the list added. If you are being treated by a doctor now, in the near future you will receive information from Liberty Mutual explaining how to change doctors if yours is not on the list. Also every active member will receive a packet from the plant explaining the new changes. Watch for this packet and put it in a safe place so you can refer back to it for information should you need it.

EARLY EXITS WHO PLAN TO RETIRE JULY 1

Watch the company TV and the bulletin boards for information as how to sign up. We will have the sign up list available sometime in April. The plans are to begin retirements in May. We will have the available times located in the benefits office come by and select your time. **COMMUNATION WILL BE PUT OUT IN THE PLANT WHEN THE LIST IS READY.**

Goodyear Sells Unit to Carlyle for $1.47 Billion

By Mike Ramsey (Bloomberg)

Goodyear Tire & Rubber Co., North America's biggest tiremaker, sold a unit that makes hoses and conveyor belts to buyout firm Carlyle Group for $1.47 billion to focus on its tire business.

Proceeds from shedding the Engineered Products Division will go to reduce debt and pay for expansion, among other purposes, Akron, Ohio-based Goodyear said today in a statement.

The sale extends Goodyear's push to shed businesses not directly tied to making tires for passenger and commercial vehicles. Units unloaded since 2005 include those that made farm tires, adhesives and tire fabric. Goodyear is also slashing expenses by closing plants, firing workers and cutting wages.

Goodyear is concentrating on "our core consumer and commercial tire businesses and on improving our balance sheet," Chief Executive Officer Robert J. Keegan said in the statement.

Goodyear had been working since 2005 to sell the hose unit, which has 6,500 employees in 12 countries. Goodyear will recognize a gain on the transaction. The company didn't specify an amount or say when the gain would be recognized.

Carlyle will run the unit under the name EPD Inc. and must use the Goodyear-brand trademark on certain products. EDP's headquarters will remain in Akron and current management, including CEO Timothy R. Toppen, will stay in place. The unit posted 2006 sales of $1.5 billion.

"It's a great industrial bread-and-butter business," Dan Pryor, a Carlyle managing director, said in an interview. "If you go to any factory in the world, they are going to be using the stuff that these guys build."

The sale is contingent upon Washington-based Carlyle negotiating a labor contract with the United Steelworkers of America at four U.S. plants.

85-Day Strike

Goodyear settled an 85-day strike with the Steelworkers in December allowing the company to close a plant, reduce starting wages and cut liabilities for union retirees' health-care benefits. The shares have more than doubled since the day the union went on strike, making Goodyear the top performer in the Standard & Poor's 500 Stock Index over the past six months.

Shares of Goodyear fell 3 cents to $30.29 at 6:47 p.m. in New York Stock Exchange composite trading. The company announced the hose-unit sale after the close of regular trading.

Goodyear has set a goal of achieving $1 billion in annual savings by the end of 2008. JPMorgan Chase & Co. analyst Himanshu Patel said this week he expected the company to exceed the goal.

Goodyear lost $337 million in 2006 because of the strike and high raw-material prices.

Wal-Mart's Bank Brainstorm Bites The Dust

WASHINGTON (PAI)—In a win for workers, lawmakers, local communities and their allies—including local banks—Wal-Mart's brainstorm to establish an "industrial bank" in Utah bit the dust on March 16 when the retail monster withdrew its application to federal regulators to do so. It could have expanded that Utah bank nationwide.

WakeUp Wal-Mart and the United Food and Commercial Workers, which led the campaign against the company's scheme, hailed its decision to back down, but said they would keep pushing for legislation to close the "industrial bank" loophole Wal-Mart tried to exploit. House Banking Committee Chairman Barney Frank (D-Mass.) and Rep. Paul Gillmor (R-Ohio) introduced legislation to halt such shenanigans.

After protests from Frank and other lawmakers, along with the UFCW, other unions and community groups, the Federal Deposit Insurance Corp., which charters such banks, twice extended a "moratorium" on those pacts. Meanwhile, even though all Wal-Mart claimed it wanted to do with its bank was make it easier for its own customers, foes saw it as the anti-worker retail behemoth's invasion of communities.

"This is a big victory for consumers, communities, and working people," said UFCW Vice President and Legislative Director Michael J. Wilson after the company threw in the towel. "It's not every day that Wal-Mart says 'Uncle.'

"I think they saw the controversy growing and felt tide turning against them and made the right decision to withdraw. But we can't let up the pressure. We still need Congress to close the loophole by enacting H.R. 698," Frank's bill. "When it comes to Wal-Mart, only the law can really protect us."

The Wal-Mart bank, Wilson added, would have completed the company's financial control over communities around the country, as Wal-Mart would use its economic power to drive local banks out of business and take over all commercial transactions.

Dealers Report Trouble with Continental Tire

In a New Report, Dealers Complain about Supply, Marketing, Support

PITTSBURGH— The United Steelworkers recently released a report documenting the results of interviews with 376 tire dealers across the country selling Continental and General brand tires. The report, "Trouble with Tire Dealers," was mailed out to over 1,300 tire dealers selling Continental tires.

Of the 376 dealerships visited, about half - 179 - reported serious trouble with the company. Numerically, the most frequent complaints issued by dealers dealt with poor marketing and low demand; 75 tire dealers named "Low Demand" as their chief complaint. But the most energetic complaints dealt with supply trouble. Many of the 59 dealers reporting poor fill rates and other supply problems indicated that they were considering dropping Continental tires altogether.

USW officials say the report confirms the union's predications that the company's ideologically driven cessation of tire production at unionized facilities in the US would lead to supply shortages and trouble with tire dealers. Continental Tire of North America permanently shut down its tire production facility in Mayfield, Kentucky in 2006 and stopped tire production at its facility in Charlotte, North Carolina later that year. "Not only did the company devastate two communities in its move to run away from unions in the US, but it's also destroying its relationship with tire dealers," said Mark Cieslikowski, President of USW Local 850 in Charlotte.

Copies of the report are available online at www.SolidarityAtConti.org. Also available on the campaign website are copies of campaign leaflets and flyers, a narrative of Continental's attack on working families, letters to tire dealers and investors, and statements of support from elected officials around the country.

USW Local 746L's Secretary Helen Young Retires

Helen Young, Local 746L's secretary has retired. She has worked at the union hall for 14 years. On March 2nd, a retirement party was held for her at the John Nash Activities Building. A lot of Helen's friends and family were on hand to give her a big send off. Current President Jim Wansley along with all of the past Local 746 Presidents were in attendance.

Entertainment was provided by Helen's favorite Elvis impersonator James Wages. "Elvis" made a big hit with Helen and all of the ladies at the party and according to the picture below (center right) some of the men.

Helen says that she has really enjoyed the time she has worked at the union hall but now she is really going to enjoy her retirement. She and her husband Freddie Young plan to do some traveling and stay involved with S.O.A.R. Freddie is a retiree of Goodyear, he worked in the plant as an electrician for 6 years.

Thank you Helen for all that you have done for everyone over the past 14 years. We wish you well on your retirement.

Helen with all 5 Local 746 Presidents

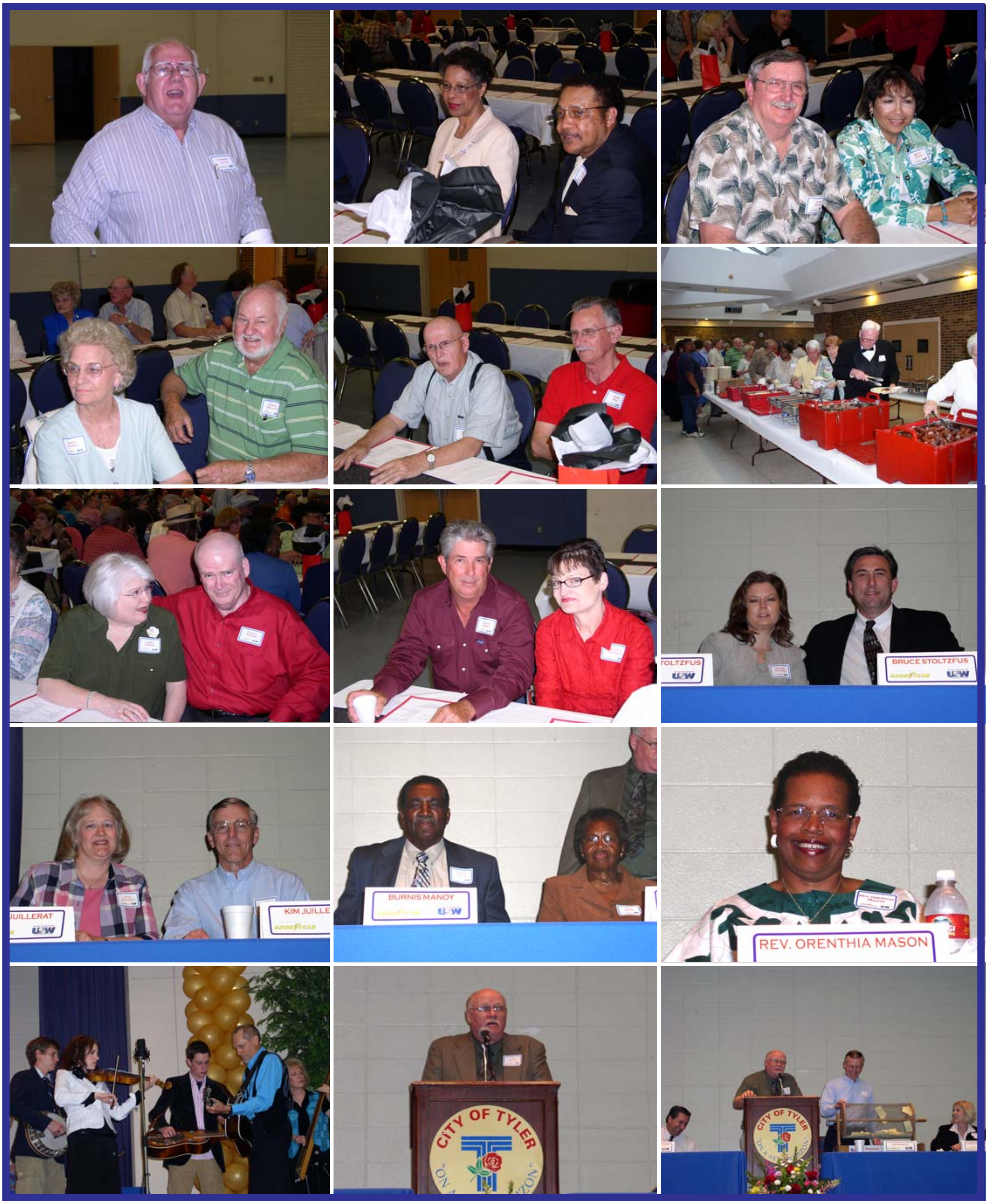
The new secretary at the union hall is Tressa Hawkins. Her e-mail at the union hall is **tressahawkins@suddenlinkmail.com**

Annual Retirees' Banquet Held

The annual Retiree Banquet was held on Monday evening, March 26th, at Harvey Hall. Over 500 people attended. Guest speaker for the evening was Rev. Orenthia D. Mason, Jarvis Christian College Director of Teacher Education. Other speakers for the event were USW Local President Jim Wansley, Goodyear/Tyler Plant Manager Bruce Stoltzfus, Plant Controller Kim Juillerat and Medi-Center Director Barbara Jedlicka. During the visitation portion of the banquet, a slide show of pictures from the early days of the Tyler Kelly Springfield

Plant were shown.

The nights entertainment was provided by The Masat Family, a bluegrass family band, playing a varioty of musical instruments and singing some favorite songs. Catering was provided by Hickory Fare Bar-B-Que. At the end of the banquet, drawings for door prizes was held with there being several cash prizes along with two sets of tires. Other prizes included dinners from several Tyler restaurant, oil changes and service work at automotive centers and a number of caps provided by USW Local 746L and Goodyear/Tyler.



Abandoning America: Corporate Foreign Direct Investment

By Thomas I. Palley, Special to Press Associates, Inc. (PAI)

WASHINGTON (PAI)—In recent years, foreign direct investment (FDI) by U.S. corporations in other countries has increased rapidly, while "inward FDI" by foreign corporations into the U.S. has trended down. Since investment in the U.S. is critical for future economic prosperity, these patterns are troubling and provide evidence of how globalization and flawed policy encourage corporations to abandon America.

Inward FDI is usually good for countries, though there can be legitimate national security and strategic industry caveats. Such investment has foreign investors either building new facilities or taking large ownership stakes in existing businesses in the U.S.

Their willingness to build new facilities expands productive capacity and creates jobs, while making large investments in existing businesses usually signifies an intention to grow them. The net result is that inward FDI benefits countries, especially since foreign investors bear the cost of financing these investments.

As one example, Mittal Steel, the world's largest steel firm, headquartered in Europe and owned by a native of India, has invested tens of millions of dollars in modernizing older U.S. steel plants that it bought. Those plants were once owned by now-bankrupt U.S. steel makers, such as LTV and Bethlehem. Mittal's modernizations have saved thousands of U.S. steelworkers' jobs.

The benefits of outward FDI—investment by U.S. firms overseas—are less clear-cut. On one hand, it can potentially increase exports, and can give companies access to profitable foreign markets. On the other hand, outward FDI may simply displace domestic investment and workers, when U.S. corporations create offshore "production platforms" whose only purpose is to export back to home markets.

The *maquiladoras* along the U.S.-Mexican border, clustered around factories whose workers, for U.S. companies, produce goods for export into the U.S. market, are an obvious example, especially since those goods were once made by U.S. workers who lost their jobs. In cases like that, outward FDI by U.S. firms can be problematic.

These characteristics suggest federal policy should aim to encourage inward FDI and discourage outward FDI that hollows out the domestic economy. Yet, U.S. investment patterns have been on the exact opposite course.

Having peaked at $321 billion in 2000, inward FDI fell to $64 billion in 2003 and then

recovered to $110 billion in 2005, the latest year available. Meanwhile, U.S. outward FDI—financing factories overseas—rose from $159 billion in 2000 to $252 billion in 2004.

The volume and pattern of FDI can indicate the degree of confidence business feels about U.S. economic prospects. Part of the decline of foreign direct investment here between 2000 and 2003 can be attributed to the impact of the Bush recession. But the ensuring weak recovery of inward FDI here, accompanied by escalating outward FDI by U.S. firms overseas, suggests deeper problems exist.

One problem is the over-valued dollar. It raises the relative cost of producing in the U.S., discouraging investment. A second is federal policies that give incentives to corporations to "offshore" production, exporting U.S. jobs. The net effect is to undermine the relative competitiveness of the U.S. economy, making it a less attractive place to invest, especially in manufacturing.

The over-valued dollar encouraged U.S. business to shift productive investments from the U.S. to both developing and other developed economies, while the lack of global labor and environmental standards encourages shifts to developing economies where standards are lower or even absent. Meanwhile, preferential tax treatment of foreign profits of U.S. corporations encourages outward FDI that displaces domestic investment. Some congressional Democrats want to repeal that tax provision.

The over-valued dollar not only pushes U.S. firms to invest overseas, but discourages foreign direct investment in the U.S. And if U.S. corporate taxes are higher than foreign country corporate taxes, that too may affect foreign investment here.

If overseas nations keep their corporate tax rates low, this connects to the problem of tax competition between economic jurisdictions. Such competition distorts investment decisions, strips the public purse of revenues, and contributes to shifting the tax burden from capital to workers, as the U.S. tries to match the low foreign rates. This is a global problem to which the U.S. is contributing through tax competition between the 50 states.

That suggests need for stricter multilateral agreements on tax competition, and that the U.S. should also act unilaterally to prevent tax competition between states.

The Bush administration Commerce Department recently launched a program to encourage foreign direct investment in the U.S., promising to actively court foreign companies. The initiative is welcome since inward FDI—think Mittal—is generally

beneficial, but the agency's move is also incomplete and inadequate.

Cheerleading cannot substitute for fundamental policy change, while the exclusive focus on inward FDI is like one hand clapping and completely misses the problem of investment off-shoring by U.S. corporations.

Thomas Palley is the former chief economist of the AFL-CIO and former chief economist of the U.S.-China Commission, a congressionally created panel that monitors U.S.-China trade and economic relations. This and other economic analyses can be found on **www.thomaspalley.com**

Labor Quotes

"Downsize is a new corporate word to describe dumping workers for higher profits."
Leo Persails,
APWU official

"Corporation: an ingenious device for obtaining individual profit without individual responsibility."
Ambrose Bierce
The Devils Dictionary 1906

OBITUARIES

George "Tommy" Jones
Tommy was 69 and retired from Kelly in 1994.

Lee Roy Berryman
Lee Roy retired in 1992. He was 73 years old.

Donald Ray Rose
Don was 77 years old and retired in 1994.

Goodyear Names Richard Kramer to Succeed Jonathan Rich as President of North American Tire Business

AKRON, Ohio, March 14, 2007 – The Goodyear Tire & Rubber Company today announced that Richard J. Kramer has been appointed president of the company's North American Tire unit, effective immediately. Kramer succeeds Jonathan D. Rich, 51, who is leaving the company to pursue other leadership options. Currently executive vice president and chief financial officer for Goodyear, Kramer, 43, also will continue as CFO until the company names a replacement.

Kramer joined Goodyear in March of 2000 and was elected an officer of the company as vice president, corporate finance. He became vice president of finance for the North American Tire business in July of 2002 and was promoted to senior vice president, strategic planning and restructuring in August of 2003. In May of 2004 Kramer became chief financial officer.

Richard J. Kramer

"Rich Kramer has demonstrated outstanding business leadership at every level in his career and has earned the respect of his peers, his associates and Wall Street," said Robert J. Keegan, Goodyear chairman and chief executive officer. "Rich became our chief financial officer under very challenging circumstances, made courageous value-creating decisions, recruited top talent, and built a strong finance team."

Keegan said that in Kramer's time in North American Tire as that businesses' chief financial officer, he helped build the business platforms for our improvement. "He knows the business, knows the customers and understands the challenges," Keegan said. "I believe Rich is the ideal leader to take the North American Tire business to the next level of performance.

"At the same time, I want to thank Jon Rich for his outstanding service to the company and the significant contributions that he made in helping to create the foundation for the future success of the North American business," Keegan added. "Jon assembled a strong, capable team that has earned the respect of our customers in a challenging environment."

Rich was elected president of Goodyear Chemical in August of 2001 after joining the company in September of 2000. He was named president of North American Tire in December of 2002. Prior to joining Goodyear, Rich served in various senior management roles at General Electric where he worked for 18 years.

A native of Cleveland, Kramer received a bachelor of science in business administration degree from John Carroll University in Cleveland in 1986. Prior to joining Goodyear he spent 13 years with PricewaterhouseCoopers.

Employee Free Choice Passed in House

America's labor leaders today hailed passage of the Employee Free Choice Act by the House of Representatives.

"Today's vote," Said AFL CIO President John Sweeney, "marks a momentous turning point in the growing movement to restore our nation's middle-class. Today, the voices of tens of millions of working people who deserve the right to make a free choice to bargain for a better life have been heard and heeded on Capitol Hill."

United Steelworker President Leo W. Gerard called the vote "a victory for thousands of workers whose human rights have been violated for years through firings and intimidation by their employers, who have been allowed to ignore their right to form a union with absolute impunity.

"Now," he added, "we need to impress upon the Senate that the time has come to give workers a right that is enjoyed by workers throughout the free world – the opportunity to freely make their voices heard about forming a union, without fear of retribution."

People like Shirley Brown, a housekeeper at Chicago's Resurrection Health Care whose co-workers are afraid to talk about forming a union - even outside of work - for fear of losing their jobs. They are people like Ivo Camilo, a 35-year employee of Blue Diamond Growers in Sacramento, who came to Washington to tell of the fear instilled in his co-workers when he was fired for exercising his rights. And they are people like Bill Lawhorn, who came to tell of being fired by Consolidated Biscuit in McComb, Ohio for supporting a union - and despite winning his government case against his employer, four and a half years after being fired he has not been rehired or received a cent of back pay.

Today those workers and millions like them have new hope that they will have the opportunity to bargain collectively for better wages, benefits and working conditions.

Because of today's vote, the future looks a little brighter to all Americans who have watched corporations celebrate record profits, but have themselves been shut out of the party, left with stagnant wages and facing soaring costs. A union card is the single best ticket into the middle-class and, thanks to the Employee Free Choice Act, working people may finally have the chance to be part of a union.

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