

THE STRETCH

LOCAL



746L

VOL.33, NO.1

TYLER, TEXAS

JANUARY 2003

January 10, 2003



Lots of rumors are making the rounds about what'll happen at Goodyear and at Kelly Tyler this year. Uncertainty is the order of the day in every Goodyear, Dunlop and Kelly plant. Most experienced layoffs and ticket swings in 2002 beyond anything they've seen before. Concern about Goodyear grows greater every day as the company's stock value continues to decline and as its investment rating falls.

The latest rumors concern a drastic reduction in salaried employees in Akron and a ticket reduction here in 2003, with corresponding layoffs. Everywhere, people want to know what's going to happen. They want to know how secure their jobs are in 2003.

Here's the unvarnished truth. No one at Goodyear, no one in the Union, no one anywhere can tell you for sure what's gonna happen in 2003 at Goodyear or at Kelly Tyler. As we enter the second week of January no Goodyear plant even knows what its ticket for January will be, much less for the remainder of 2003. Goodyear Corporate planners are going to go around to the North American Tire plants in January and talk about the "2003 Business Plan" and each plant's part in it. That plan is constantly being adjusted.

Here's where we stand and what we do know. In early February the Rubber and Plastic Industry Conference will be held in Pittsburgh. The Target Company for the upcoming pattern bargain for the tire industry will be named. It'll likely be Goodyear/Kelly/Dunlop, not Michelin/Uniroyal/Goodrich or Bridgestone/Firestone. After the RPIC meeting the Goodyear Policy Committee will remain in Pittsburgh and put together proposals for the coming Master Bargain at Goodyear.

That we will have Master Negotiations and that Goodyear can expect to be the Target Company will greatly influence the Goodyear North American Tire business plan, and subsequently the business plan for 2003 at each Goodyear/Kelly/Dunlop USWA plant. Goodyear will shift production to plants in Canada and the United States that aren't facing the possibility of being out on strike in 2003. Goodyear will also look to move production to South American plants, which won't be affected by a strike.

During the first week of March the Goodyear Policy Committee will meet with the company for the first time to re-negotiate a Master Agreement covering the fourteen USWA plants in North America. Both master and local contracts for the Goodyear and Dunlop plants expire on April 20, while the local contracts at the three Kelly plants, as they now stand, expire on July 6.

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CHANGES TO THE HEALTH PLAN

--Sherrell Brown

By now every one should have received a letter regarding the medical benefit changes. The following is some excerpts from the letter and other information that might be helpful.

Goodyear Comprehensive Plan (hourly active & retired associates) has changed to Goodyear/United Health Care (Uniprise). Same plan as before: satisfy your deductible, then Goodyear pays 85% and you pay 15% until your 15% satisfies your out-of-pocket maximum. Mother Frances & Trinity Clinic were the preferred facilities in the past **to get a negotiated discount off your bill**. The **discounted facilities** have now changed to ETMC and UTHC and any other provider listed in the United Health Care Book (available at the Union Hall and in the Benefit Office).

At this time Trinity Clinic and Mother Frances may require the deductible and co-pay up front. We are still trying to negotiate with them to wait until after the service has been billed to United Health Care. This is their policy and may be a hard change. Your Medical coverage according to the contract says you pay your deductible and co-pay when these limits are met your medical bills are paid at 100% of reasonable and customary no matter where you seek treatment under the United Health Care plan.

When you go to the Doctor or Hospital you will present your United Health Care Card if you are buying medicine or go to the dentist Present your Goodyear card. The Kelly-Family Medical Center is considered "In Network" providers for all the Plans that Goodyear offers. We encourage you to use them to get the most discounts for your drugs and to continue with your families medical treatment needs. Modifications to the Med-Ctr, both in the staff and the facility have and are being made to ensure your requirements are being met.

Health Plan of Texas (HMO/EPO) (hourly & retired employees under age 65) is the insurance division owned and operated through Mother Frances Hospital. Mother Frances Hospitals, Mother Frances Direct Care Center, and your selected Primary Care Physicians (PCP) are the approved providers for this Plan. Referrals to a specialist must be made by your PCP to a specialist also in the HMO network. This is a Co-Pay based plan with no deductibles.

Time To Pay The Pauper (THE TAX MAN)

How to find out what You Paid in Union dues for 2002. If you have any questions please call Sherrell Brown or James Honeycutt at the Union Hall. The Local 746 hall phone number is **593-3469**.

Unions: Goodyear Drops Continental Carbon Because Of Quality Issues

PONCA CITY, Okla.-Goodyear no longer is ordering carbon black from Continental Carbon Co., according to sources at two labor unions, but neither firm will confirm the reports. The Paper, Allied-Industrial, Chemical and Energy Workers International Union-which represents hourly workers at two Continental Carbon plants said it has learned Goodyear stopped buying carbon black from its supplier. The union believes the move is related to concerns from the Akron tire maker over carbon black quality, said Joe Drexler, PACE special projects director. PACE members working at Continental Carbon's Ponca City carbon black factory have been locked out at the site since May 2001, following the expiration of their three-year contract and the rejection of the company's final offer. The 85-member PACE Local 5-857 temporarily was replaced by salaried employees and outside workers.

During the past year and a half, negotiations between Local 5-857 and Continental Carbon have been infrequent and unfruitful. Since the lockout began, PACE has claimed the temporary workers in Ponca City lack experience and put in long hours to meet customer demand. Part of the union's campaign has been to contact Continental Carbon's customers-**tire makers like Goodyear**-and tell them to be aware of the situation in Ponca City, and watch for carbon black quality.

The **United Steelworkers of America**, which represents workers at Continental Carbon's Phenix City, Ala., plant, helped PACE last fall by writing letters to several tire makers-including Goodyear, Bridgestone Corp., Continental Tire North America Inc., Groupe Michelin and Cooper Tire & Rubber Co. asking them to urge Continental Carbon back to the bargaining table. In late September, the **USWA** asked Goodyear to stop doing business with Continental Carbon, and soon after the Akron-based firm did stop, according to a USWA spokesman. He didn't say whether the action resulted from the USWA request or what reason Goodyear gave for ceasing its purchases.

A Continental Carbon spokeswoman was asked whether the information about Goodyear canceling orders with the company was true and the result of concerns over quality or the labor situation in Ponca City. She said Continental Carbon would not discuss its dealings with Goodyear, but that the two companies "have had a longstanding relationship and our relationship continues to move forward."

Goodyear was contacted but didn't provide confirmation that it had ceased ordering carbon black from Continental Carbon. Drexler said PACE believes Goodyear's decision was the result of cumulative factors, the most important being the issue of the quality of carbon black being produced in Ponca City by "**overworked and inexperienced**" employees. The union also has been handbilling at Goodyear-sponsored races and tire plants, and the USWA helped by expressing its concerns, he said. "Why would (Goodyear) want us out there creating attention, when they can easily find another supplier?" Drexler said. According to PACE, Goodyear's Lawton, Okla., tire factory normally buys 75 MILLION pounds of carbon black annually from Continental Carbon.

The union also has filed two federal lawsuits against Continental Carbon for alleged environmental violations in Ponca City and Sunray, Texas, and made several trips to Taiwan, where the firm's parent companies are headquartered. The most recent visit was during the week of Oct. 7, 2001 when PACE representatives and Taiwanese labor unions organized demonstrations and attempted to talk to Taiwanese politicians regarding the situation in the U.S., Drexler said. "We wanted to let the shareholders over there know how Continental Carbon is damaging their companies' reputations," he said, referring to parent firms China Synthetic Rubber Co. and Taiwan Cement Corp. "(Continental Carbon) is slowly committing suicide, and their communities, their workers, their customers are all paying the price."



Goodyear Poor Results, Management Shifts Fill Firm's Year

Goodyear's 2002 was brimming with activity. What it lacked was good news.

The Akron tire maker continued to feel the effects of the recent recession and brutally competitive markets, as losses and layoffs mounted, stock prices fell and executives moved up and down the corporate totem pole.

The climax to the company's troubles was the Oct.1 announcement that Goodyear CEO Samir G. Gibara would step down at year-end, though he will keep his chairman's position.

Rumors had been circulating since the previous year regarding Gibara's future with the company. The firm, however, called the decision the start of a "smooth and orderly transition" for Goodyear President Robert J. Keegan to move into the CEO's seat.

The changes at the top weren't the only ones. In late August, Goodyear realigned its North American Tire unit to streamline operations-- particularly on the consumer tire side. Full responsibility for the business came under the North American Tire unit's president, John C. Polhemus. Less than three months later, Polhemus announced his retirement and was replaced by Goodyear Chemical President Johathan D. Rich.

In September, the company endured a couple of developments it undoubtedly wants to forget. First, it altered its controversial "A-B-C" grading system of salaried employees just as it was being sued by a group of former and current employees for age discrimination. The employees claimed the evaluation system unfairly targeted older workers.

Then, on Sept. 23, Goodyear's long-struggling stock price reached a negative milestone when it dipped into single digits for the first time in 11 years. The figure hasn't been above \$10 per share since, closing at a low of \$6.81 twice in November.

The company lost more than \$63 million in the first quarter, though it recovered in the next two periods to end the third quarter just below the break-even mark. The tough economic conditions took their toll on shipment levels and market share, as well as some of Goodyear's tire and rubber operations. Two rounds of layoffs in Union City, Tenn., and a phase-out of hose operations in Lincoln, Neb., eventually will leave about 1,400 employees out of work.

The news was worse in Stowe, Ohio, where the company closed its 33-year-old tire mold facility and left about 150 employees jobless.

There were some positive elements during the year: Goodyear announced two major expansions at its Topeka, Kan., and Lawton, Okla., plants; the second and third quarters showed some improvements on previous results; and the company said it plans to bring some bias-ply racing tire production back to Akron next year. Plus, the company has continued to implement price increases, flexible manufacturing and several reduction plans to offset rising costs.

If those measures make a difference in 2003, Goodyear may finally get that good news.

-by Plant Safety Committee

Accidents in the plant are on a two-year decline, which is good, but we still have a long way to go. The last quarter of 2002 there was a focus group (floor safety reps.) set up to drive monthly safety topics for the plant and as a result of this group meeting and with everyone's help on the floor we had one of our best quarters for safety to date. Thanks to Terry Murtha (**HR Specialist / Workers Comp. / Benefits**), Red Blake (**USWA Local 746L Safety Representative**) and the safety representatives for driving this group.

The Tyler plant has initiated some things that are new to the plant that will benefit workers. " In 2002 we received a new fire truck as well as a new Haz-mat emergency spill cart. In October of 2002 the plant's Haz-mat team received their annual 8-hour refresher course. There also was a revision in the plant's Fall Arrest Policy in 2002.

There were also some first's for the USWA Local 746L at the Kelly/Tyler plant in 2002. It is believed to be that for the first time a union safety committee visited a non-union plant. In late September the Safety Committee went to the Bayport and Beaumont chemical plants. The Safety Committee received a lot of information from these plants pertaining to M.S.D.S. systems and their Emergency Response Team. In October the Kelly/Tyler plant returned the favor and had the Bayport and Beaumont plant Safety Department tour our plant. They were quite impressed at what it takes to produce a tire. The Bayport plant is an O.S.H.A., V.P.P. (Voluntary Protection Program) plant. Thanks to Mr. Pickett HR Resource Manager at the Tyler plant for arranging this event.

In December of 2002 we reinstated live mill rescue drills. One hour before a downshift the Safety Department walked in and placed a dummy into one of the mills. The plants' emergency alarm system was then used to make the call for a simulated mill rescue exercise.. The whole exercise was documented and video taped for future training purposes. According to everyone involved the rescue went very well. More mill rescue drills are planned for the near future. A first for the plant in 2002 is that the annual O.S.H.A. mandated training and testing was taken on computers. This went well for the first attempt, but plans are in place to improve the system in 2003. A new S.T.E.M. (Safety, Trainer, Ergonomics, & Monitor) Coordinator will be put into place. The person that has been selected for this job is Gary Reedy. His responsibilities will be to train floor safety rep's to the "O.S.H.A. 10-Hour Awareness Level." He will also drive the plant ergonomics program through training and plant wide implementation.

Safety Slogan for 2003 will be "**Be Accident Free In 2003**". You will see this all through out the plant this year on bumper stickers as well as each associate will receive a bumper sticker with the slogan on it. We also plan to increase the size of the plants' Haz-mat team.

Jon Rich President of Goodyear North America has challenged each plant to lower it's incident rate to 5.0. Right now the Tyler plant stands at 9.3. So as you can see 2003 needs to be our best year ever. We must continue to drive our O.S.H.A. incident rate down to be able to compete with other KELLY, GOODYEAR, DUNLOP plants. All of us will have to continue to focus on safety to reach that goal. However it is very important to report injuries if and when they occur. "**BE ACCIDENT FREE IN 2003.**"

Your Plant SAFETY COMMITTEE: Red Blake, Bobby Gilbert, Philip Gordon, and Gary Reedy. Work Safe.

Earlier, I mentioned a move of production to offshore plants in anticipation of a strike. Frankly, Goodyear plans for the movement of some tires offshore to be permanent, with many of the Custom Brand tires and Low Value Added Tires staying there. Moving them offshore, which would surely eliminate jobs at several USWA North American Tire plants, will be one of the major sticking points in the Master Negotiation. What happens at Tyler in 2003 will be influenced largely by what happens in the Master to prevent a move offshore of the very tires we build. As I've always said, our equipment limitations put us on the front line of this issue. We are the only plant set up to build these tires exclusively.

The two biggest issues in the coming Master Negotiation will be job security for USWA North American Tire plants and the benefits package for USWA workers. Everything else will revolve around those two items.

As to the rumors circulating about what will happen in 2003 here and elsewhere, here's the real deal, as far as I know it.

If we come out of the Master without job security guarantees for USWA plants and without addressing the benefits issue, Goodyear will surely begin moving production offshore as never before. At least two plants will be affected in 2003, with more affected in 2004 and even more in 2005. By 2005 some 35 million tires per year that were produced in USWA North American plants will have gone offshore. To put that in perspective, Tyler produces about ten million tires a year. The first to go will be the Custom Brand and Low Value Added tires, largely the thirteen, fourteen and fifteen inch tires we build in Tyler. Once Goodyear figures out how to get offshore tires to the customer in a timely manner, other tires will follow over the next two decades, with almost every USWA North American Tire plant affected.

If something doesn't change, Tyler will likely experience a ticket reduction in the last half of 2003. We could end 2003 on a reduced ticket, one that would only need eight to nine hundred people instead of eleven or twelve hundred. Goodyear has asked the Tyler management group to present a plan for that scenario. Does that mean it's absolutely gonna happen? No, but it's a very real possibility if nothing changes in several areas, or if the market and Goodyear's share of it continues to decline in 2003.

Some of what must change isn't within our control locally. Job security language and benefits are Master items. But enough is within our control that we still control our destiny, at this point. We have to seek out investment and justify that investment by lowering costs locally. We can only accomplish that by becoming more efficient. We can't wait for the Master Bargain to solve our equipment problem. We have to start now. We've already started, in fact.

The two most forward thinking local unions in Goodyear today are Tyler and Gadsden. Gadsden has gotten its pounds-per-man-hour up to ninety pounds. They've done it with an incentive program in Tire Assembly, with Lead Hands running the plant more and more, with a Flex work schedule and with less rigid job classifications and work station assignments. They are continuing to improve their productivity and cost performance. Given up for lost in 1998, they have since become a plant where ticket and jobs will remain after others are gone. They are creating job security on a local level, not waiting for it to be done for them. And so they are creating the only real job security there is, in a down market and with a company that's struggling to survive in that market.

We have to do the same, and more. More, because of our current equipment limitations. We have to make our Lead Hand program more effective, more extensive. We have to get our productivity up and begin a move to less restrictive classifications and work stations. We have to get the averages up on our ARFs, GIIs, R-1s and R-2s and keep them up. Just as Gadsden did, we have to take control of our plant and make it run. We have to become lean. We have to figure out how to run the Tyler plant with fewer people. It's that simple.

Realistically, we still can't get our output to ninety-pounds-per-man-hour with the tires we're now running. But with a minimum of investment we can do segmented molds and make other changes to let us get to eighty pounds-per-man-hour with a twenty-two or three pound overall tire weight. That means we'll have become as efficient as a Gadsden, given the tire weight difference. To put it in perspective, Union City is only averaging a little over sixty pounds-per-man-hour with a thirty plus pound ticket. That's why they are in trouble, even though they have the equipment to build the High Value Added tires.

After the Corporate visit late in January we will have a better idea of where we are, where we can go and what might happen here in 2003. But it will only be a better idea. With so many variables facing us, no one can tell you for sure what the last half of 2003 will bring for Goodyear, for the Union or for Kelly Tyler. As soon as I know more, you will.

Fraternally, Jim Wansley, President USWA 746L

From Days Gone By (A Bit Of Local 746s' History)

Minutes from 9-13-64: This was the first meeting for Union members of Local 746

The meeting was called to order by **T.D. Steinke** and followed by the Pledge of Allegiance. Three guest speakers were introduced and each made a short speech.

Old business: Stienke discussed contract negotiations with the membership. There was a discussion on changing Rose festival day to Good Friday. A vote was taken and it was decided to leave it the same, but Saturday before Christmas is to be change to Christmas Eve day.

New business: Officers were elected and the following men received positions. **Earl Cayard- President, Chuck Harris-V.P. , John Nash-Secretary, James Staples- Treasurer.**

Negotiation Thought From
The Rubber Neck April 1965
Issue Local 26 Cumberland
Maryland....

A great man once said: "NO CASE IS
HOPELESS UNTIL NEGOTIATORS REFUSE
TO TALK."

Let's Put Tax Cuts In Terms Everyone Can Understand.

Suppose that every day, ten men go out for dinner. The bill for all ten comes to \$100. If they paid their bill the way we pay our taxes, it would go something like this:

The first four men-the poorest-would pay nothing; the fifth would pay \$1 : the sixth would pay \$3; the seventh \$7; the eighth \$12; the ninth \$18. the tenth man-the richest-would pay \$59.

That's what they decided to do. The ten men ate dinner in the restaurant every day and seemed quite happy with the arrangement until one day, the owner threw them a curve.

"Since you are all such good customers," he said, "I'm going to reduce the cost of your daily meal by \$20." So now dinner for the ten only cost \$80. The group still wanted to pay their bill the way we pay our taxes.

So the first four men were unaffected. They would still eat for free. But what about the other six-the paying customers? How could they divvy up the \$20 windfall so that everyone would get his "fair share?"

The six men realized that \$20 divided by six is \$3.33. But if they subtracted that from everybody's share, then the fifth man and the sixth man would end up being *paid* to eat their meal. So the restaurant owner suggested that it would be fair to reduce each man's bill by roughly the same amount, and he proceeded to work out the amounts each should pay.

And so the fifth man paid nothing, the sixth pitched in \$2, the seventh paid \$5, the eighth paid \$9, the ninth paid \$12, leaving the tenth man with a bill of \$52 instead of his earlier \$59. Each of the six was better off than before. And the first four continued to eat for free.

But once outside the restaurant, the men began to compare their savings. "I only got a dollar out of the \$20," declared the sixth man. He pointed to the tenth. "But he got \$7!" "Yeah, that's right," exclaimed the fifth man. "I only saved a dollar, too. It's unfair that he got seven times more than me!"

"That's true!" shouted the seventh man. "Why should he get \$7 back when I got only \$2? The wealthy get all the breaks!" "Wait a minute," yelled the first four men in unison. "We didn't get anything at all. The system exploits the poor!" The nine men surrounded the tenth and beat him up.

The next night he didn't show up for dinner, so the nine sat down and ate without him. But when it came time to pay the bill, they discovered something important. They were \$52 short!

And that, boys and girls, journalists and college instructors, is how the tax system works. The people who pay the highest taxes get the most benefit from a tax reduction. Tax them too much, attack them for being wealthy, and they just may not show up at the table anymore. Unfortunately, Liberals cannot grasp this straight-forward logic!

**Be Sure To Attend Your Next Local 746 Union Meeting
Thursday, February 6, 2003. TIMES: 7:15am, 1:45pm and
3:15 pm. Be there to Voice Your Opinion. Your attendance
is like casting your vote. Remember :**
"There Is Strength In Numbers."

BUY AMERICAN

THE STRETCH



Local 746L

Published monthly by USWA Local 746L
13624 State Hwy. 31W, Tyler, Texas 75709
(Phone) 903-595-3469

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The Stretch staff or publisher does not assume
responsibility for views expressed in signed
articles published in this publication.

**United Steel Workers Of America
Local Union 746L
State Hwy. 31 West
Tyler, Texas 75709**



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