

News

Manufacturing

Labor Movement Plans Day of Action Dec. 16 at Goodyear Tire Stores Nationwide

Contending that the United Steelworkers will not allow Goodyear Tire & Rubber Co. to abandon its promise to provide health care benefits for retirees, USW President Leo Gerard said Dec. 9 that the whole labor movement is preparing to take on the union's fight.

Speaking at an AFL-CIO organizing summit, Gerard called on more than 500 attendees to participate in a national day of action Dec. 16 at more than 125 Goodyear retail stores across the country. He said the strike by members of his union, which began Oct. 5, is a "fight about the symbolism" of what the labor movement stands for, including companies providing health care for their employees and retirees.

Larry Cohen, president of the Communications Workers of America, who has proposed the creation of a "stewards' army" to take on fights of importance (237 DLR B-1, 12/11/06), told the gathering that the labor movement plans to tell Goodyear that "we won't let health care or retiree health care be taken away." Cohen, who is engaged in planning for the day of action, told BNA that the goal is to have 100,000 union members show up for the action across the country.

When asked about the planned day of action, Ed Markey, vice president for public relations and communications for Goodyear's North American Tire operation, told BNA Dec. 11 that there have been other demonstrations at Goodyear retail stores over the past several weeks, so this is nothing new. He said the company's focus is on restaffing, making tires, and taking care of its customers.

Special Convention Could Be Called

Gerard also announced that if the strike is not resolved by the spring, he is prepared to call a special convention and ask the union's 850,000 members to contribute \$5 a week to a fund to allow the union to double its efforts.

Currently, the union's strike fund exceeds \$150 million. Goodyear strikers received \$100 a week through the eighth week of the strike and that increased recently to \$115 a week. In addition, the union recently announced it would give each striker an additional \$100 for Christmas.

Gerard said the union is spending about \$2 million a week in strike benefits and support. Right when the company thinks the strike fund is getting low, the union will double the \$2 million a week it is spending

through the special fund, he said. "Goodyear will either come to its senses or we will kick their ass," Gerard declared.

Gerard said the company forced some 15,000 workers on strike at 16 plants in the United States and Canada when it came to the bargaining table and said it wanted to get out of the health care business and stop providing retirees with health care benefits. He said the company currently provides coverage for about 30,000 retirees and 15,000 of their dependents.

Goodyear's Retiree Health Plan

According to the union, the company wants to make a one-time contribution of \$660 million to a voluntary employee beneficiary association (VEBA) trust. Current and future retirees under Goodyear's proposal could be without medical coverage as soon as 2013, the union said.

Goodyear's Markey told BNA that since 1991 Goodyear's contributions to retiree benefits have been capped at a certain level, and that level has been met. Going forward, retirees would be responsible for increased costs due to inflation, he said. Under the VEBA, he said benefits would be more affordable to retirees in the future and those benefits would be more secure.

In a Dec. 8 letter to employees and retirees, Goodyear said that "if we don't change our approach, we believe that it is inevitable that retiree premiums will increase substantially every year. Effective April 2007, premiums will be as high as \$159 per month. Inflation is projected to drive some premiums to about \$350 per month by 2009. We believe that the VEBA trust approach can significantly lessen the impact of inflation on retiree premiums."

Three years ago Goodyear was "teetering on the brink of bankruptcy," and the union agreed to wage cuts and the closing of a plant in exchange for job security and retiree benefits, Gerard said. The company has now returned to financial health, the stock is doing well, and the "bosses have been paid their usual millions plus in bonuses," he said.

The company came to the bargaining table seeking to close another plant and to cut retiree health care, Gerard said. It then went to Wall Street and said if it could raise \$1 billion in bonds it would be "a transforming event--at the end [Goodyear] would have no health care costs or no union." He said that the company picked this fight with the union because it thought the political and economic climate was on its side.

Gerard, however, contended that Goodyear picked the "wrong fight with the wrong union at the wrong time over the wrong issue."

"This has got to be a fight for all," Gerard said. "This has to show the Wall Street, Gucci-shoed, latte-drinking, coupon-clipping, limo-driving, rotten bastards that we're not going to take it any more."

Gerard said that long Steelworker strikes at AK Steel in Ohio and CF&I Steel in Oregon ended with the chief executive officer and other high company officials being fired. "I'm giving the CEO and the president of Goodyear fair notice--come to the table and bargain. If not, we'll be there one day longer and you won't."

By Michelle Amber