

Goodyear, Union Begin Contract Talks For 6 Plants

Thomas J. Sheeran, Associated Press

AKRON, Ohio (AP) — With the backdrop of an uncertain economy, shrinking unions and company cost-cutting, Goodyear and the Steelworkers are negotiating on a new national contract covering 8,000 tire workers at six plants.

The first round of talks in Cincinnati ended Thursday and recessed.

With the contract between the Akron-based Goodyear Tire & Rubber Co. and United Steelworkers of America expiring July 27, both sides have plenty of time and indicated the talks would be in recess until June while they evaluate each other's opening positions.

There's been no talk of a strike, and it wasn't clear whether the union would use the talks as a pattern to set the stage for negotiations during the summer with tire makers Bridgestone-Firestone and Michelin-BFGoodrich. The company contracts expire the same day.

Steelworkers struck Goodyear for three months in 2006.

The last time the national contract for Goodyear's union workforce expired in 2009, the nation was struggling to rebound from the Great Recession and unemployment was 9.4 percent. Goodyear lost \$375 million that year.

Now, the unemployment rate in March in the U.S. fell to a four-year low of 7.6 percent. At the same time, the nation's union movement has seen its nationwide membership shrink to its lowest levels since at least the 1930s — 6.6 percent in the private sector.

Goodyear earned \$183 million last year, aggressively pushing high-end tires and working to control costs.

The tire industry has been aided by a revived American auto industry, which had its best performance in five years in 2012.

The union signaled that it would highlight Goodyear's improving situation, particularly in its core North American market, in the talks.

"Overall, the industry is like the economy - it's limping along, although Goodyear North American Tire is doing much better due in part to work we have done in the past," USW international vice president Tom Conway said in an email Friday.

"The USW recognizes that fact and we will raise it with the company. The economy

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as a whole provides a somewhat better environment than it was during the 2009 talks when we were still fully in the grips of a recession."

Goodyear's earnings report on Friday underscored its push to trim expenses: it sold fewer tires globally in the first quarter of 2013 compared with the January-March 2012 period but earned \$26 million, reversing an \$11 million loss.

The talks cover workers at plants in Akron; Gadsden, Ala.; Buffalo, N.Y.; Topeka, Kan.; Danville, Va., and Fayetteville, N.C.

"Goodyear competes in a global industry, so cost is a significant challenge," company spokesman Ed Markey said in an email summarizing key goals in the negotiations.

"We will review many issues that are important to both sides, including productivity, flexibility in our factories and pensions and health care costs."

In 2006, the company won the green light to close a Tyler, Texas, plant and the outdated Union City, Tenn., plant closed after the 2009 contract left its jobs unprotected. The company declined to specify if any plant was on a current hit list to close or if it would seek contract concessions.

Commenting on the initial talks, Goodyear said they were progressing positively, adding, "Goodyear and the USW have exchanged a few beginning proposals and both sides have decided to work in their respective locations to review the details of the proposals with their actuaries."

The union said in a brief update that wages, health care and pensions top the list of issues at the bargaining table.

Thomas McIntosh, 50, a 25-year Goodyear employee who handles union grievances in Akron, said the economy and shrinking union rolls have limited rank-and-file expectations.

Their goal in the negotiations: "Keeping what they have and they are not really interested in gaining anything," McIntosh said in his union office located over a hill from Goodyear's slick new corporate headquarters.

"I don't hear anything about pay raises, you know, or more vacation, just, 'let me keep what I have'."

In its opening pitch to the union, the company pressed its case for more flexibility and understanding that higher wages would be passed along to customers.

"Manufacturing must be able to adjust and flex production," Steve McClellan, president of Goodyear's North American tire unit, told the union in the company's opening statement April 22.

"We must be flexible and responsive to remain competitive. It all comes back to

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building the right tire, at the right time, for the right cost."

For now, rank-and-file workers are wary and hoping for the best, McIntosh said.

"Any time it's a contract year, there's a heightened sense of doom and gloom just because what the company's going to come for," he said. "We're so whittled down now, we just want what we got."

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