



Local 310 ~ District 11

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MOBILIZATION 2006

Brothers and Sisters,

We have a number of huge issues going into 2006 negotiations. One of the biggest hurdles that we have to clear in negotiations is FAS 106. This is the issue pertaining to retiree insurance premiums. The FAS cap, which originally was negotiated into the 1991 agreement, was falsely represented by the Company as only a reporting requirement to the government. The Company claimed they had no intention to transfer insurance costs to retirees. Fifteen years later the Company indeed has every intention of transferring a large amount of their liability onto a portion of the retiree population that retired on or after 5/1/91.

FAS 106, is a financial accounting standard that is imposed upon companies that offer health insurance to their retirees. The standard is intended to require companies to show the entire cost of providing retirees with lifetime benefits on their balance sheet as a liability. Companies argue that without the cap their borrowing power is greatly diminished since lenders would have no idea how solvent their operation is.

All of the major rubber companies have a cap on their retiree insurance benefit costs. The cap under Firestone is \$6000 per retiree household with an activation date of 7/1/2007. Presently the average retiree household by far exceeds the limit of the cap. The national average for healthcare has increased 12% a year on the average over the last ten years placing extensive legacy costs upon companies.

We are stewards for our retirees. There is no one else to guard against an onslaught on their benefits. This will be a main mobilization issue as we begin 2006 bargaining.

In the near future prior to opening negotiations with the Company, the Local 310 Bargaining Committee will distribute a membership survey. The survey will be anonymous. Members may preference items of importance to them and their families in the upcoming set of negotiations.

The Master Policy Committee will set a date prior to negotiations to conduct a strike vote. The strike vote simply gives your Policy Committee authorization to vote to call a strike as a last resort upon reaching impasse in negotiations. We strongly recommend a "yes" vote.

In Solidarity,
The Local 310 Bargaining Committee