GOODYEAR TIRE & RUBBER CO /OH/
Form 11-K
June 24, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 11-K
ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2009
Commission File Number: 1-1927
Goodyear Dunlop Tires North America, Ltd.
Employee Savings Plan for Bargaining Unit Employees
(Full title of the Plan)
THE GOODYEAR TIRE & RUBBER COMPANY
(Name of Issuer of the Securities)
1144 East Market Street
Akron, Ohio 44316-0001
(Address of Issuer s Principal Executive Office)

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Goodyear Dunlop Tires North America, Ltd.
Employee Savings Plan for Bargaining Unit Employees

ITEM 1. Not applicable.
ITEM 2. Not applicable.
ITEM 3. Not applicable.

ITEM 4. FINANCIAL STATEMENTS OF THE PLAN

The Financial Statements of the Goodyear Dunlop Tires North America, Ltd. Employee Savings Plan for Bargaining Unit Employees (the Plan) as of December 31, 2009 and 2008 and for the fiscal year ended December 31, 2009, together with the report of Bober, Markey, Fedorovich & Company, independent registered public accounting firm, are attached to this Annual Report on Form 11-K as Annex A, and are by specific reference incorporated herein and filed as a part hereof. The Financial Statements and the Notes thereto are presented in lieu of the financial statements required by Items 1, 2 and 3 of Form 11-K. The Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

EXHIBITS.

EXHIBIT 23.1. Consent of Bober, Markey, Fedorovich & Company, independent registered public accounting firm.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this Annual Report to be signed by the undersigned thereunto duly authorized.

GOODYEAR DUNLOP TIRES NORTH AMERICA, LTD.

Plan Administrator of the GOODYEAR DUNLOP TIRES
NORTH AMERICA, LTD. EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES

June 24, 2010

By: /s/ Mary Kasprzak
Mary Kasprzak, Assistant Treasurer

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ANNEX A
TO
Form 11-K

Goodyear Dunlop Tires North America, Ltd.
Employee Savings Plan for Bargaining Unit Employees
* * * * *

FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE
DECEMBER 31, 2009 and 2008

GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
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Note: Certain schedules required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because of the absence of the conditions under which they are required.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Administrator
of the Goodyear Dunlop Tires North America, Ltd.
Employee Savings Plan for Bargaining Unit Employees
Buffalo, New York

We have audited the accompanying statements of net assets available for benefits of the Goodyear Dunlop Tires North America, Ltd. Employee Savings Plan for Bargaining Unit Employees (the Plan) as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States).Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Goodyear Dunlop Tires North America, Ltd. Employee Savings Plan for Bargaining Unit Employees as of December 31, 2009 and 2008 and the changes in its net assets available for benefits for the year ended December 31, 2009 in conformity with accounting principles generally accepted in the United States of America.

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Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) as of December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BOBER, MARKEY, FEDOROVICH & COMPANY
Akron, Ohio
June 18, 2010

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GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
December 31, 2009 and 2008

(Dollars in Thousands)	2009	2008
Plan s Interest in Commingled Trust, at fair value	$ 46,260	$ 37,092
Participant Loans	2,617	2,734
Contribution Receivable Employer	304	
Contribution Receivable Employee	40	34
Net Assets Available for Benefits, at fair value	49,221	39,860
Adjustment from Fair Value to Contract Value for Stable Value Investment	(232)	524
Net Assets Available for Benefits	$ 48,989	$ 40,384

The accompanying notes are an integral part of these financial statements.

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GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended December 31, 2009

(Dollars in Thousands)	
Contributions:	
Employer	$ 304
Employee	2,428
Total Contributions	2,732
Deductions:	
Benefits Paid to Participants or Their Beneficiaries	3,191
Total Deductions	3,191
Interest From Participant Loans	133
Net Investment Gain from Plan s Interest in Commingled Trust	8,931
Net Increase in Net Assets Available for Benefits During the Year	8,605
Net Assets Available for Benefits at Beginning of Year	40,384
Net Assets Available for Benefits at End of Year	$ 48,989

The accompanying notes are an integral part of these financial statements.

GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounts of the Goodyear Dunlop Tires North America, Ltd. Employee Savings Plan for Bargaining Unit Employees (the Plan) are maintained on the accrual basis of accounting and in accordance with The Northern Trust Company (the Trustee) Trust Agreement.

Plan Year

The Plan Year is a calendar year.

Trust Assets

Certain savings plans sponsored by Goodyear Dunlop Tires North America, Ltd. (the Company) maintain their assets in a master trust entitled Goodyear Dunlop Tires North America, Ltd. Retirement Savings Plan Trust (the Commingled Trust) administered by the Trustee. The Company sponsors two savings plans at December 31, 2009 and 2008 that participated in the Commingled Trust. The Plan s undivided interest in the Commingled Trust is presented in the accompanying financial statements in accordance with the allocation made by the Trustee.

Recordkeeper

J. P. Morgan Retirement Plan Services, LLC is the recordkeeper of the Plan.

Investment Valuation and Income Recognition

The investments of the Plan are reported at fair value. The fair value of the Plan s interest in the Commingled Trust is based on the beginning of the year value in the trust plus actual contributions and allocated investment income (loss) less actual distributions and allocated administrative expenses. The fair value of investments held by the Commingled Trust is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date (See Note 7). Investment income (loss) and administrative expenses relating to the Commingled Trust are allocated on a daily basis to the Plan based on the Plan s value in each applicable fund within the Commingled Trust.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Commingled Trust s gains and losses on investments bought and sold as well as held during the year.

GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The Statements of Net Assets Available for Benefits presents the fair value of the investment contracts held in the Stable Value Fund of the Commingled Trust as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

Concentration of Credit Risk

The Stable Value Fund of the Commingled Trust invests part of the fund in investment contracts of financial institutions with strong credit ratings and has established guidelines relative to diversification and maturities that are intended to maintain safety and liquidity (See Note 8).

The Goodyear Stock Fund invests primarily in the common stock of The Goodyear Tire & Rubber Company (Goodyear). Significant changes in the price of Goodyear Stock can result in significant changes in the Net Assets Available for Benefits.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and related notes to financial statements. Changes in such estimates may affect amounts reported in future years.

Risk and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

Subsequent Events

The Plan has adopted the Subsequent Events Topic of the Financial Accounting Standards Board Accounting Standards Codification for the year ended December 31, 2009. This standard sets forth the period after the date of the financial statements during which management of a plan should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which a plan should recognize events or transactions occurring after the date of its financial statements, and the disclosures that an entity should make about events or transactions that occurred after the date of the financial statements. In accordance with this standard, the Plan has evaluated subsequent events through the date of issuance of the financial statements.

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GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 2 GENERAL DESCRIPTION AND OPERATION OF THE PLAN

General

The Plan is a defined contribution plan covering all eligible hourly employees of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility

All employees who are members of a bargaining unit, which has adopted the Plan, are eligible to participate in the Plan as of the first enrollment date after completing three months of continuous service with the Company. Employees hired after December 22, 2006 in a job classification other than technical maintenance, were not eligible to participate in the Plan between December 22, 2006 and August 31, 2008.

Vesting

Employee contributions are fully vested. Employer contributions become vested after the participant has completed two years of continuous service with the Company.

Contributions

Eligible employees may elect to contribute from 1% to 50% of earnings, including wages, certain bonuses, commissions, overtime and vacation pay into the Plan, subject to certain limitations under the Internal Revenue Code. In addition, the Plan permits catch-up contributions by participants who have attained age 50 by December 31 of each year.

Participating employees may elect to have their contributions invested in any of the funds available for employees at the time of their contributions. The Company calculates and deducts employee contributions from gross earnings each pay period based on the percent elected by the employee. Employees may change their contribution percent at any time. The change will become effective as soon as administratively possible after the participant elects a change. Employees may suspend their contributions at any time.

Effective January 1, 2007, the Plan was amended such that each new participant will automatically be enrolled at a default employee contribution rate of 3%, unless the employee elects otherwise. Effective January 1, 2010, participants are no longer automatically enrolled. All participants, effective April 1, 2007, are entitled to elect employee contributions to be on a pre-tax or as a Roth 401(k) contribution, subject to certain limitations under the Internal Revenue Code.

The Plan has been established under Section 401 of the Internal Revenue Code. Therefore, employee contributions, except for Roth 401(k) contributions, are not subject to Federal income withholding tax, but are taxable when they are withdrawn from the Plan.

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GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
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Effective January 1, 2010, participants are eligible for a Company retirement contribution equal to 3% of compensation and an employer matching contribution equal to 50% of the first 4% of compensation that the employee contributes to the Plan. In January 2010, eligible participants received a retroactive Company retirement contribution equal to 5% of compensation from 90 days after date of hire through December 31, 2009. The retroactive Company retirement contribution was effective with the August 29, 2009 labor contract between the Company and the United Steelworkers. Participants are eligible for the Company contributions if they are not covered under the Goodyear Dunlop Tires North America, Ltd. 1950 Pension Plan (Buffalo Hourly). The employee can elect to invest the Company contributions in any of the investment options available for employee contributions. Participants may not elect to contribute more than 10% of Company retirement contributions to the Goodyear Stock Fund.

Participants may transfer amounts attributable to employee or employer contributions from one fund to the other on a daily basis. Participants may not hold more than 10% of the account balance related to Company retirement contributions in the Goodyear Stock Fund.

Participant Accounts

A variety of funds have been established for each participant in the Plan. All accounts are valued daily by the Trustee. Interest and dividends (in funds other than the Goodyear Stock Fund) are automatically reinvested in each participant s respective accounts and reflected in the unit value of the fund which affects the value of the participants accounts. Under the Employee Stock Ownership Plan (ESOP), participants may elect to receive cash dividends on the Goodyear stock held in their employer match account. Such election results in a distribution to the participant. For the year ended December 31, 2009 there were no dividends paid on the Goodyear stock held.

Plan Withdrawals and Distributions

Participants may take in-service distributions of vested amounts from their accounts if they:

- Attain the age of $59^1/2$, or
- Qualify for a financial hardship.

The Internal Revenue Service (IRS) issued guidelines governing financial hardship. Under the IRS guidelines, withdrawals are permitted for severe financial hardship. Contributions to the Plan are suspended for 6 months subsequent to a financial hardship withdrawal.

Participant vested amounts are payable upon retirement, death or other termination of employment.

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GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
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All withdrawals and distributions are valued as of the end of the day they are processed, and may be subject to income tax upon receipt. Any non-vested Company contributions are forfeited and applied to reduce future Plan expenses and contributions by the Company. As of December 31, 2009 and 2008, the Plan had no forfeiture credits.

Participant Loans

Eligible employees may borrow money from their participant accounts. The minimum amount to be borrowed is $1,000. The maximum amount to be borrowed is the lesser of $50,000 reduced by the highest outstanding balance of any loans during the preceding twelve month period, or 50% of the participant s vested account balance. Participants may have up to two loans outstanding at any time. The interest rate charged will be a fixed rate that will be established at the time of the loan application based on prime plus one percent (4.25% at December 31, 2009 and 2008).

Loan repayments, with interest, are made through payroll deductions. If a loan is not repaid when due, the loan balance is treated as a taxable distribution from the Plan.

Rollovers

Employees, Plan participants, or former Plan participants may transfer eligible cash distributions from any other employer sponsored plan qualified under Section 401 of the Internal Revenue Code into the Plan by a direct transfer from such other plan.

Expenses

Expenses of administering the Plan were paid partly by the Company and partly by the Commingled Trust. The payment of Trustee s fees and brokerage commissions associated with the Goodyear Stock Fund are paid by the Company. Expenses related to the asset management of the investment funds and the independent fiduciary of the Goodyear Stock Fund are paid from such funds which reduce the investment return reported and credited to participant accounts. Recordkeeping fees are paid pro-rata from all funds in which a participant invests.

The J. P. Morgan Personal Asset Manager Program is available to all participants. This program provides personalized portfolio management for participants who wish to delegate investment decisions about fund choices within the Plan to a professional manager. Participation in the program is paid solely by those participants electing to enroll. The expense reduces the investment return reported and credited to participant accounts.

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GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
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NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Termination Provisions

The Company anticipates and believes that the Plan will continue without interruption, but reserves the right to discontinue the Plan. In the event of termination, the obligation of the Company to make further contributions ceases. All participants accounts would then be fully vested with respect to Company contributions.

NOTE 3 RELATED PARTY TRANSACTIONS

An affiliate of the Trustee serves as the fund manager of the S&P 500 Index Stock Equity Fund.

J. P. Morgan Investment Management, Inc., an affiliate of the recordkeeper, serves as the fund manager of the Large Capitalization Value Fund and the International Equity Fund.

The Goodyear Stock Fund is designed for investment in common stock of Goodyear, except for short-term investments needed for Plan operations. During 2009, the price per share of Goodyear common stock on The New York Stock Exchange composite transactions ranged from $3.17 to $18.84. The closing price per share of Goodyear common stock on The New York Stock Exchange was $14.10 at December 31, 2009 ($5.97 at December 31, 2008). The common stock of Goodyear and a Short-Term Investments Fund are the current investments of this fund. The portion of this fund related to employer contributions was converted to an ESOP.

NOTE 4 TAX STATUS OF PLAN

The IRS has determined and informed the Company by a letter dated October 30, 2008 that the Plan is qualified and the trust established for the Plan is exempt from Federal income tax under the appropriate Sections of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Company and the Plan s tax counsel believe the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan s financial statements.

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GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

NOTE 5 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2009 and 2008 to the Form 5500:

(Dollars in Thousands)	2009	2008
Net Assets Available for Benefits per the Financial Statements	$ 48,989	$ 40,384
Amount for adjustment from fair value to contract value for fully benefit-responsive investment contracts	232	(524)
Net Assets Available for Benefits per the Form 5500	$ 49,221	$ 39,860

The following is a reconciliation of net gain from the Plan s investment in the Commingled Trust per the financial statements for the year ended December 31, 2009 to the Form 5500:

(Dollars in Thousands)	
Net Investment Gain from Plan s Interest in Commingled Trust per the Financial Statements	$ 8,931
Impact of reflecting fully benefit-responsive investment contracts at fair value	756
Net Investment Gain from Plan s Interest in Commingled Trust per the Form 5500	$ 9,687

Fully benefit-responsive investment contracts are recorded at fair value on the Form 5500.

NOTE 6 FINANCIAL DATA OF THE COMMINGLED TRUST

All of the Plan s investments, except for the participant loans, are in the Commingled Trust, which was established for the investment of assets of the Plan. Each Participating plan has an undivided interest in the Commingled Trust. At December 31, 2009 and 2008, the Plan s interest in the net assets of the Commingled Trust was approximately 65% and 68%, respectively.

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GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
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The Statements of Net Assets Available for Benefits of the Commingled Trust are as follows:

(Dollars in Thousands)	2009	2008
Investments:		
Common Collective Trusts		
JP Morgan Value Opportunities Fund	$ 3,528	$ 2,553
NTGI-QM Daily S & P 500 Equity Index Fund	12,382	9,470
JPMCB EAFE Plus Fund	6,689	4,519
Wellington Management Growth Fund	9,587	7,173
Invesco Stable Value Trust (see Note 8)	17,452	15,648
Short Term Investment Fund	409	433
Mutual Funds		
Western Asset Core Plus Bond Fund Inst. Class Fund	2,614	2,226
Vanguard Target Retirement Income Fund	676	501
Vanguard Target Retirement 2005 Fund	452	514
Vanguard Target Retirement 2015 Fund	524	399
Vanguard Target Retirement 2025 Fund	6,154	4,713
Vanguard Target Retirement 2035 Fund	867	488
Vanguard Target Retirement 2045 Fund	1,078	651
Artisan Small Capitalization Growth Fund	1,285	775
RS Partners Small Capitalization Value Fund	942	554
Charles Schwab Self Directed Account Mutual Funds	4,171	3,142
Common Stock of The Goodyear Tire & Rubber Company	2,785	1,157
Total Investments	71,595	54,916
Receivables:		
Pending Trades		25
Accrued Interest and Dividends	74	54
Total Assets Available for Benefits	71,669	54,995
Liabilities:		
Other	(341)	
Pending Trades		(86)
Administrative Expenses Payable	(92)	(102)
Total Liabilities	(433)	(188)
Net Assets Available for Benefits, at fair value	$ 71,236	$ 54,807

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GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Net investment gain for the Commingled Trust is as follows:

(Dollars in Thousands)	Year Ended December 31, 2009
Net Appreciation in Fair Value of Investments:	
Common Collective Trust	$ 7,646
Mutual Funds	2,641
Common Stock	1,829
Self Directed Funds Mutual Funds	820
	12,936
Interest and Dividends	688
Investment Gain from Plan s Interest in Master Trust	13,624
Administrative Expenses	(225)
Net Investment Gain	$ 13,399

NOTE 7 FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value are classified using the following hierarchy, which is based upon the transparency of inputs to the valuation as of the measurement date:

Level 1 Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 Valuation is based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

The classification of fair value measurements within the hierarchy is based upon the lowest level of input that is significant to the measurement. Valuation methodologies used for assets and liabilities measured at fair value are as follows:

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

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GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
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Mutual funds: Valued at the net asset value of shares held by the Commingled Trust at year end, as determined by the closing price on the active market on which the individual securities are sold.

Common collective trusts: Valued at the net asset value of units held by the Commingled Trust at year end, as determined by a pricing vendor or the fund family. The Stable Value Fund is valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer (see Note 8).

Participant loans: Valued at amortized cost, which approximates fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Commingled Trust s assets at fair value as of December 31, 2009 and 2008:

	December 31, 2009			
(Dollars in Thousands)	Level 1	Level 2	Level 3	Total
Mutual funds	$ 18,763	$	$	$ 18,763
Common stocks	2,785			2,785
Common collective trusts		32,595	17,452	50,047
Total assets at fair value	$ 21,548	$ 32,595	$ 17,452	$ 71,595

	December 31, 2008			
	Level 1	Level 2	Level 3	Total
Mutual funds	$ 13,963	$	$	$ 13,963
Common stocks	1,157			1,157
Common collective trusts		24,148	15,648	39,796
Total assets at fair value	$ 15,120	$ 24,148	$ 15,648	$ 54,916

Participant loans are owned directly by the Plan and are a Level 3 investment.

GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

The following table sets forth a summary of changes in fair value of the Commingled Trust s Level 3 assets for the year ended December 31, 2009:

(Dollars in Thousands)		Common collective trust
Balance, beginning of year	$	15,648
Change in fair value		1,092
Purchases, sales, issuances and settlements (net)		712
Balance, end of year	$	17,452

The following table sets forth a summary of changes in fair value of the Plan s Level 3 assets for the year ended December 31, 2009:

(Dollars in Thousands)		Participant loans
Balance, beginning of year	$	2,734
Purchases, sales, issuances and settlements (net)		(117)
Balance, end of year	$	2,617

NOTE 8 INVESTMENT CONTRACTS

The Commingled Trust invests in the Invesco Stable Value Trust (Stable Value Fund) which is a collective trust that has entered into benefit-responsive guaranteed investment contracts and wrapper contracts with various financial institutions. The financial institutions maintain the contributions in investment contracts. The contracts are credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses.

As described in Note 1, because the guaranteed investment contracts held by the Commingled Trust are fully benefit-responsive, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to the guaranteed investment contracts. Contract value, as reported to the Commingled Trust by the manager of the Stable Value Trust, represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

There are no reserves against contract value for credit risk of the contract issuers or otherwise. The crediting interest rate is based on a formula agreed upon with the issuers.

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GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
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The Stable Value Fund has purchased wrapper contracts from the insurance companies. The wrapper contracts amortize the realized and unrealized gains and losses on the underlying fixed income investments, typically over the duration of the investments, through adjustments to the future interest crediting rate (which is the rate earned by participants in the fund for underlying investments). The issuers of the wrapper contracts provide assurance that the adjustments to the interest crediting rate do not result in a future interest crediting rate that is less than zero.

Certain events limit the ability of the Plan to transact at contract value with the issuer. These events include termination of the Plan, a material adverse change to the provisions of the Plan, if the Commingled Trust elects to withdraw from a wrapper contract in order to switch to a different investment provider, or if the terms of a successor plan (in the event of the spin-off or sale of a division) do not meet the wrapper contract issuer s underwriting criteria for issuance of a clone wrapper contract. The events, described above that could result in the payment of benefits at market value rather than contract value, are not probable of occurring in the foreseeable future.

The wrapper contracts do not permit the issuers to terminate the contracts unless the Plan loses its qualified status, has incurred material breaches of responsibilities, or material and adverse changes occur to the provisions of the Plan.

	Year Ended December 31, 2009
Average Yields:	
Based on actual earnings	3.1%
Based on interest rate credited to participants	3.9%

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GOODYEAR DUNLOP TIRES NORTH AMERICA, Ltd.
EMPLOYEE SAVINGS PLAN
FOR BARGAINING UNIT EMPLOYEES
SCHEDULE H, LINE 4i SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2009
Employer Identification Number: 34-1899137, Plan Number: 010

(a)	**(b)** Identity of issue, borrower lessor or similar party	**(c)** Description of investment Including maturity date, rate of interest, collateral par, or maturity value	**(d)** Cost	**(e)** Current Value
	Participant Loans	4.25% - 9.25%	$	$2,617,444

Note: This schedule excludes the Plan s interest in the Commingled Trust, which is not required to be reported on the schedule pursuant to the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

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MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

Selling, general and administrative expenses for the six months ended June 30, 2018 were $16.9 million compared to $15.6 million for the comparable period in 2017, an increase of $1.3 million or 8.8 percent. This increase was primarily due to expenses that vary with sales and profitability, such as incentive compensation, commissions and warranty. Selling, general and administrative expenses as a percentage of net sales decreased slightly to 10.3 percent in the six months ended June 30, 2018 from 10.9 percent for the comparable period in 2017.

Operating income for the six months ended June 30, 2018 increased $4.6 million or 29.2 percent compared to the same period in 2017 due to higher gross profit, partially offset by higher selling, general and administrative expenses.

Interest income was $118 thousand during the six months ended June 30, 2018 compared to $108 thousand for the comparable period in 2017.

Income tax provision for the first six months of 2018 reflects an effective tax rate of 18.2 percent, compared to an effective tax rate of 27.6 percent for the comparable period in the prior year. The decrease in effective rate is primarily due to the corporate income tax rate reduction from the Tax Cuts and Jobs Act. The effective rate in both periods includes the effect of beneficial permanent differences including tax-exempt interest income and beneficial discrete adjustments related to stock-based compensation awarded to employees.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The Company's cash and cash equivalents at June 30, 2018 were $9.5 million compared to $7.7 million at December 31, 2017. In addition, the aggregate of short-term and long-term marketable securities was $18.4 million at June 30, 2018 compared to $13.0 million at December 31, 2017.

The following table sets forth the cash flows for the applicable periods:

	Six months ended June 30,	
(*in thousands*)	2018	2017
Net cash provided by operating activities	$ 18,116	$ 17,850
Net cash used for investing activities	(6,169)	(9,497)
Net cash used for financing activities	$ (10,126)	$ (7,138)

Cash provided by operating activities for the six months ended June 30, 2018 increased approximately $266 thousand compared to the comparable period in 2017. This increase is primarily due to an increase in net income, partially offset by an unfavorable change in working capital, as described in more detail below.

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The major components of the net unfavorable change in working capital were as follows: an unfavorable change of $8.2 million in inventories primarily due to the timing of shipments of finished boats, coupled with higher levels of boats in production; and a $4.1 million favorable change in accounts payable, due primarily to timing of payments.

Cash used for investing activities for the six months ended June 30, 2018 was approximately $6.2 million compared to $9.5 million used for investing activities for the same period in 2017. The decrease in cash used for investing activities is primarily due to decreased net purchases of marketable securities in the current period.

Cash used for financing activities for the six months ended June 30, 2018 increased approximately $3.0 million compared to the six months ended June 30, 2017 primarily due to a 42.9 percent increase in the quarterly common stock dividend paid, coupled with an increase in open market share repurchases in 2018.

Financial Condition and Liquidity

The Company believes that the liquidity provided by existing cash, cash equivalents and marketable securities, its overall strong capitalization and cash generated by operations will provide sufficient capital to meet the Company’s requirements for at least the next twelve months. The Company’s decisions about the amount of cash to be used for investing and financing purposes are influenced by its capital position and the expected amount of cash to be provided by operations.

Cash Requirements

The Company currently expects that capital expenditures during 2018 will be approximately $2.1 million, of which $0.7 million has been spent through June 30, 2018.

The Company participates in a multiple employer Retirement Income Plan, sponsored by RPC, Inc. (“RPC”). The Company made a cash contribution of $770 thousand to this plan in the second quarter of 2018, and does not expect to make any additional contributions for the remainder of 2018.

As of June 30, 2018, the Company has repurchased a total of 5,860,523 shares in the open market under the Company stock repurchase program which began in 2002, there are 2,389,477 shares that remain available for repurchase under the current authorization. There were 123,575 shares repurchased under this program during the six months ended June 30, 2018.

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OFF BALANCE SHEET ARRANGEMENTS

To assist dealers in obtaining financing for the purchase of its boats for inventory, the Company has entered into agreements with various third-party floor plan lenders whereby the Company guarantees varying amounts of debt for qualifying dealers on boats in inventory. The Company’s obligation under these guarantees becomes effective in the case of a default under the financing arrangement between the dealer and the third-party lender. The agreements provide for the return of all repossessed boats to the Company in a new and unused condition as defined, in exchange for the Company’s assumption of specified percentages of the debt obligation on those boats, up to certain contractually determined dollar limits which vary by lender. The Company had no material repurchases of inventory under contractual agreements during the three and six months ended June 30, 2018 and June 30, 2017.

Management continues to monitor the risk of defaults and resulting repurchase obligations based in part on information provided by the third-party floor plan lenders and will adjust the guarantee liability at the end of each reporting period based on information reasonably available at that time.

The Company currently has an agreement with one of the floor plan lenders whereby the contractual repurchase limit is 16 percent of the amount of the average net receivables financed by the floor plan lender for our dealers during the prior 12 month period, which was $13.8 million as of June 30, 2018. The Company has contractual repurchase agreements with additional lenders with an aggregate maximum repurchase obligation of approximately $5.4 million with various expiration and cancellation terms of less than one year, for an aggregate repurchase obligation with all financing institutions of approximately $19.2 million as of June 30, 2018.

RELATED PARTY TRANSACTIONS

In conjunction with its spin-off from RPC in 2001, the Company and RPC entered into various agreements that define their relationship after the spin-off. RPC charged the Company for its allocable share of administrative costs incurred for services rendered on behalf of Marine Products totaling approximately $451 thousand for the six months ended June 30, 2018 and $386 thousand for the six months ended June 30, 2017.

CRITICAL ACCOUNTING POLICIES

The discussion of Critical Accounting Policies is incorporated herein by reference from the Company's annual report on Form 10-K for the fiscal year ended December 31, 2017. There have been no significant changes in the critical accounting policies since year-end.

IMPACT OF RECENT ACCOUNTING PRONOUNCEMENTS

See Note 2 of the Consolidated Financial Statements for a description of recent accounting pronouncements, including the expected dates of adoption and expected effects on results of operations and financial condition, if known.

SEASONALITY

Marine Products' quarterly operating results are affected by weather and general economic conditions. Quarterly operating results for the second quarter have historically recorded the highest sales volume for the year because this corresponds with the highest retail sales volume period. The results for any quarter are not necessarily indicative of results to be expected in any future period.

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INFLATION

The market prices of certain materials used in manufacturing the Company's products, especially resins that are made with hydrocarbon feedstocks, copper and steel, have at certain periods been volatile. During 2017, the costs of several of these raw materials increased slightly. In addition, the cost of certain components used in the manufacturing of the Company's products has increased due to high demand, limited supplier capacity as well as tariffs on steel, aluminum and other material, used in OEM parts. As a result, it is possible the Company will incur higher materials purchase costs for the remainder of 2018. In addition, the Company is currently experiencing shortages of skilled labor, which may lead to labor cost increases during the remainder of 2018. Higher materials prices and labor costs would increase the costs of manufacturing the Company's products, and could negatively affect our profit margins, due to the competitive nature of the selling environment for recreational boats.

New boat buyers typically finance their purchases. Higher inflation typically results in higher interest rates that could translate into an increased cost of boat ownership. During the second quarter of 2018, there were indications that inflation in the general economy was beginning to increase, and general market interest rates have increased as well. If these trends continue during 2018, prospective buyers may choose to forego or delay their purchases or buy a less expensive boat in the event that interest rates rise or credit is not available to finance their boat purchases.

FORWARD-LOOKING STATEMENTS

Certain statements made in this report that are not historical facts are "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. Such forward-looking statements may include, without limitation, the Company's expectation that higher costs of materials and labor costs could negatively affect its profit margins; the Company's belief that recreational boating retail demand in many segments of the industry continues to be strong; our belief that a potential impediment to improving boat sales, is the increase in inflation in the general economy and market interest rates; the Company's belief that retail boat sales will continue to improve due to improving consumer confidence and a growing U.S. economy; the Company's belief that fluctuations in fuel prices have not recently impacted sales; the Company's belief that its participation in a promotional program which involves advertising and consumer targeting efforts, as well as other activities designed to increase the potential consumer market for pleasure boats has benefited the Company; the Company's plans to continue to emphasize the larger Chaparral and Robalo models as well as the Surf Series, and new larger SSX models; the Company's belief that newer boat models, including the Chaparral H2O outboard boats, will expand its customer base and leverage its strong dealer network and reputation for quality and styling; the Company's plans to continue to develop and additional new products for subsequent model years; the Company's belief that it will benefit from Tax Reform; the Company's belief that the annual effective tax rate for 2018 will be in the low 20 percent range; the Company's belief that it will generate continued positive financial results; the Company’s belief that its liquidity, capitalization and cash expected to be generated from operations, will provide sufficient capital to meet the Company’s requirements for at least the next twelve months; the Company’s expectations about capital expenditures during 2018; and the Company’s expectation regarding market risk of its investment portfolio.

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The words “may,” “should,” “will,” “expect,” “believe,” “anticipate,” “intend,” “plan,” “seek,” “project,” “estimate,” and simil used in this document that do not relate to historical facts are intended to identify forward-looking statements. Such statements are based on certain assumptions and analyses made by our management in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes to be appropriate. We caution you that such statements are only predictions and not guarantees of future performance and that actual results, developments and business decisions may differ from those envisioned by the forward-looking statements. Risk factors that could cause such future events not to occur as expected include the following: economic conditions, unavailability of credit and possible decreases in the level of consumer confidence impacting discretionary spending; business interruptions due to adverse weather conditions, increased interest rates, unanticipated changes in consumer demand and preferences, deterioration in the quality of Marine Products’ network of independent boat dealers or availability of financing of their inventory; our ability to insulate financial results against increasing commodity prices; the impact of rising gasoline prices and a weak housing market on consumer demand for our products; competition from other boat manufacturers and dealers; potential liabilities for personal injury or property damage claims relating to the use of our products; our ability to successfully identify suitable acquisition candidates or strategic partners, obtain financing on satisfactory terms, complete acquisitions or strategic alliances, integrate acquired operations into our existing operations, or expand into new markets; changes in various government laws and regulations, including environmental regulations and recent U.S. Government action concerning tariffs on goods; the possibility of retaliatory tariffs imposed on the export of our products to countries on which the U.S. has imposed tariffs; the existence of certain anti-takeover provisions in our governance documents, which could make a tender offer, change in control or takeover attempt that is opposed by Marine Products’ Board of Directors more difficult or expensive; and insurance companies that insure a number of Marine Products’ marketable securities have been downgraded, which may cause volatility in the market price of Marine Products’ marketable securities. Additional discussion of factors that could cause actual results to differ from management’s projections, forecasts, estimates and expectations is contained in Marine Products Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2017. The Company does not undertake to update its forward-looking statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Marine Products does not hold derivative financial instruments that could expose the Company to significant market risk. Also, as of June 30, 2018, the Company’s investment portfolio, totaling approximately $18.4 million and comprised primarily of municipal and corporate debt securities, is subject to interest rate risk exposure. This risk is managed through conservative policies to invest in high-quality obligations that are both short-term and long-term in nature. Because Marine Products’ investment portfolio mix has been allocated towards securities with similar term maturities compared to the end of fiscal year 2017, the risk of material market value fluctuations is not expected to be significantly different from the end of fiscal year 2017 and the Company currently expects no such changes through the remainder of the current year.

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ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures – The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to its management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, June 30, 2018 (the "Evaluation Date"), the Company carried out an evaluation, under the supervision and with the participation of its management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures. Based upon this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at a reasonable assurance level as of the Evaluation Date.

Changes in internal control over financial reporting – Management's evaluation of changes in internal control did not identify any changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Marine Products is involved in litigation from time to time in the ordinary course of its business. Marine Products does not believe that the outcome of such litigation will have a material adverse effect on the financial position or results of operations of Marine Products.

Item 1A. RISK FACTORS

See the risk factors described in the Company's annual report on Form 10-K for the year ended December 31, 2017.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

Shares repurchased by the Company and affiliated purchases in the second quarter of 2018 are as follows:

Period	Total Number of Shares (or Units) Purchased	Average Price Paid Per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs [1]
Month #1				

April 1, 2018 to April 30, 2018	3,642	(2)	$ 14.02	-	2,402,911
Month #2					
May 1, 2018 to May 31, 2018	-		-	-	2,402,911
Month #3					
June 1, 2018 to June 30, 2018	13,434		16.40	13,434	
Totals	17,076		$ 16.24	13,434	2,389,477

(1) The Company's Board of Directors announced a stock buyback program on April 25, 2001 authorizing the repurchase of 2,250,000 shares in the open market and another on March 14, 2005 authorizing the repurchase of an additional 3,000,000 shares. On January 22, 2008 the Board of Directors authorized an additional 3,000,000 shares that the Company may repurchase. As of June 30, 2018, a total of 5,860,523 shares have been repurchased in the open market and there are 2,389,477 shares that remain available for repurchase under this program which does not have a predetermined expiration date.

(2) Represents shares repurchased by the Company in connection with taxes related to vesting of restricted shares.

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ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable

ITEM 5. OTHER INFORMATION

None.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

ITEM 6. Exhibits

Exhibit Number	Description
3.1(a)	Marine Products Corporation Articles of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Registrant’s Registration Statement on Form 10 filed on February 13, 2001).
3.1(b)	Certificate of Amendment of Certificate of Incorporation of Marine Products Corporation executed on June 8, 2005 (incorporated herein by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed June 9, 2005).
3.2	Amended and Restated By-laws of Marine Products Corporation (incorporated herein by reference to Exhibit 3.2 to the Registrant’s Quarterly Report on Form 10-Q filed on July 31, 2015).
4	Restated Form of Stock Certificate (incorporated herein by reference to Exhibit 4.1 to the Registrant’s Registration Statement on Form 10 filed on February 13, 2001).
31.1	Section 302 certification for Chief Executive Officer
31.2	Section 302 certification for Chief Financial Officer
32.1	Section 906 certifications for Chief Executive Officer and Chief Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

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MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	MARINE PRODUCTS CORPORATION
Date: July 31, 2018	/s/ Richard A. Hubbell Richard A. Hubbell President and Chief Executive Officer (Principal Executive Officer)
Date: July 31, 2018	/s/ Ben M. Palmer Ben M. Palmer Vice President, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)

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