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FINAL EDITION



EICHEL'S TWO GOALS
LEAD SABRES' 6-3 WIN

SPORTS, PAGE D1



Get your culinary
Christmas guide

TASTE, PAGE B1

Cyberpower slowly became tool to invade U.S.

FBI noted early Russian attacks, but slow response left the door open to hacks

By ERIC LIPTON, DAVID E. SANGER AND SCOTT SHANE
NEW YORK TIMES

federal investigators had named "the Dukes," a cyberespionage team linked to the Russian government.

The FBI knew it well: The bureau had spent the last few years trying to kick the Dukes out of the unclassified email systems of the White House, the State Department and even the Joint Chiefs of Staff, one of the government's best-protected networks.

Yared Tamene, the tech-support contractor at the DNC who fielded the call, was no expert in cyberattacks. His first moves were

to check Google for "the Dukes" and conduct a cursory search of the DNC computer system logs to look for hints of such a cyber-intrusion. By his own account, he did not look too hard even after Hawkins called back repeatedly over the next several weeks — in part because he wasn't certain the caller was a real FBI agent and not an impostor.

"I had no way of differentiating the call I just received from a prank call," Tamene wrote in an internal memo, obtained by the New York Times, that detailed his contact with the FBI.

It was the cryptic first sign of



A filing cabinet broken into in 1972 as part of the Watergate burglary sits beside a computer server that Russian hackers breached during the 2016 presidential campaign in the basement of the Democratic National Committee office.

New York Times

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Derek Gee/Buffalo News

worker pulls a truck tire off of the curing line at the Sumitomo Rubber USA tire plant in Tonawanda. The plant now produces 10,000 tires a day. The plant will ramp up production of its Falken brand tires over the next three years.

\$87 million investment to push Tonawanda tire plant to revival

Old Dunlop factory faced difficulties

By MATT GLYNN

NEWS BUSINESS REPORTER

The sprawling tire plant visible from the Niagara Thruway in the Town of Tonawanda pumps out 10,000 tires a day and employs 1,300 people.

Three years from now, after an \$87 million investment that will reduce factory costs and add new jobs,

Tonawanda tire plant has been center of change

1986: Sumitomo acquires Dunlop Tire Corp.

1999: Sumitomo forms joint venture with Goodyear, keeps 25 percent stake in Goodyear Dunlop Tires North America.

February 2014: Goodyear and Sumitomo announce they will terminate their joint venture.

October 2015: Goodyear-Sumitomo joint venture ends; Sumitomo reclaims full ownership of Tonawanda plant.

until recently, operated under the Goodyear Dunlop name.

It's not the only longtime manufacturing plant undergoing an influx of investment in recent years. General Motors' two plants and Ford's metal stamping facility in Woodlawn have also seen renewed investment, with GM planning another announcement about its Tonawanda and Lockport plants on Wednesday.

At the tire plant, the goal for Sumitomo Rubber USA is to import fewer tires from its factory in Thailand and

Canadian panel backs recreational marijuana

Tight controls seen if laws are changed

By IAN AUSTEN

NEW YORK TIMES

MONTREAL — Prime Minister Justin Trudeau has promised to legalize the recreational use of marijuana, but that doesn't mean Canada will turn into a giant, smoke-filled set for a Cheech and Chong movie.

If Trudeau adopts the recommendations of a panel he appointed, which released its report Tuesday, marijuana's move from the black market to the open market would be highly bureaucratic, heavily taxed and tightly controlled, with advertising and promotion virtually banned.

"The government doesn't want to have a country consuming marijuana," said Bruce Linton, chairman and CEO of Canopy Growth, which owns Tweed, one of 36 companies currently allowed to grow and

sell medical marijuana. "They want a system for those who choose to consume it."

The recommendations of the panel, which was led by Anne McLellan, a former Cabinet minister from Trudeau's Liberal Party, propose that the government create a tightly controlled system that would lift marijuana out of the black market, but perhaps without exposing it to full sunlight.

"Now is the time to move away from a system that has, for decades, been focused on the prohibition of cannabis into a regulated legal market," McLellan said at a news conference.

Trudeau has promised to propose new laws by the spring.

Among other things, the panel suggested that the coming Canadian rules for cigarette packages, which are being contested by the tobacco industry, also be adopted for marijuana. They would require

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Get ready for 'localized blizzard conditions'

By T.J. PIGNATARO

NEWS STAFF REPORTER

The true polar vortex won't be making the trip all the way into the Buffalo Niagara region, but its effects will be felt in the metro area starting with today's afternoon commute.

"A deep cyclonic flow" will grip the Great Lakes region with a "dangerous cold" and "significant lake snows." National Weather Service



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22



Derek Gee/Buffalo News

A worker pulls a truck tire off of the curing line at the Sumitomo Rubber USA tire plant in Tonawanda. The plant now produces 10,000 tires a day. The plant will ramp up production of its Falken brand tires over the next three years.

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Three years from now, after an \$87 million investment that will reduce factory costs and add new jobs, the plant's Japanese owner expects 17,000 tires to roll off the line a day.

Sumitomo Rubber USA's investment will mean more jobs, a bigger factory and new equipment for the 93-year-old Tonawanda plant that,

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February 2014: Goodyear and Sumitomo announce they will terminate their joint venture.

October 2015: Goodyear-Sumitomo joint venture ends; Sumitomo reclaims full ownership of Tonawanda plant.

April 2016: Tonawanda plant renamed Sumitomo.

August 2016: Sumitomo pledges \$87 million investment over four years in Tonawanda plant.

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At the tire plant, the goal for Sumitomo Rubber USA is to import fewer tires from its factory in Thailand and rely more heavily on the Tonawanda tire plant to make car and truck tires for the American market.

"The ideal situation is to make

See Tires on Page A7

recreational marijuana

Tight controls seen if laws are changed

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"A deep cyclonic flow" will grip the Great Lakes region with a "dangerous cold" and "significant lake snows," National Weather Service forecasters said.

The core of the polar air will move over northern Ontario and Quebec, but that will bring a west-

See Vortex on Page A7



Derek Gee/News

Bundling up again snow and cold w priority starting amid a wintry bl

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WEATHER

Snow squalls. High 27, low 10. Details on Page C10.



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CONTINUED FROM THE COVER

Tonawanda plant will help grow Falken tire brand

TIRES • from A1

them here in the U.S., for the U.S. market, closer to the U.S. customers," said Tim Noe, Sumitomo Rubber's senior vice president of manufacturing. "But that only works if we get the costs down."

Not so long ago, the tire plant's future was much less certain.

Once just one of six sites in Goodyear's network, the Tonawanda plant was part of a joint venture for 16 years between Goodyear and Sumitomo to produce tires under the Dunlop and Goodyear names. Union members worried at times whether Goodyear wanted to keep operating the Tonawanda plant, which was the smallest in its system.

In February 2014, Goodyear and Sumitomo announced they would dissolve their alliance, giving the plant a new direction. Sumitomo had bought the Tonawanda plant in 1986, and kept a 25 percent stake in it after forming the alliance with Goodyear in 1999.

Now, as Sumitomo's sole U.S. tire plant, the Tonawanda factory is drawing renewed attention and investment. And it is essential to the company's ambition to grow its U.S. presence and build up its Falken brand of tires.

"We treasure this plant," said Kenji Onga, chairman and CEO of Sumitomo Rubber USA, "and also I believe there is a lot of opportunity here."

Ownership change led to new investment

The Sheridan Drive complex, formerly called Goodyear Dunlop Tires North America, is already a workhorse, churning out tires for trucks, buses, and motorcycles, passenger cars and light trucks. Just over a year ago, Sumitomo reclaimed full ownership of the plant from Goodyear, after the business alliance between the two companies ended.

The plant is also a cornerstone of the Buffalo Niagara region's manufacturing base. Add up its hourly, salaried, corporate and contract workers, and more than 1,300 people depend on the place for paychecks.

As Sumitomo ramps up production of its Falken brand of tires, the company's investment in the Tonawanda plant will allow it to produce more passenger car and light truck tires, doubling local production in that category to 10,000 per day from the current 5,000. Meanwhile, the complex has added more than 100 salaried jobs as it restores administrative functions Goodyear used to handle at its Ohio headquarters.

Increasing the number of tires the plant can make will help lower its expenses by spreading out fixed costs over a higher volume of tires. But Sumitomo also wants to eliminate waste and improve productivity and service levels across its business. The plant will add new, higher-output tire-building machines, as well as more curing presses, which handle the last big step in tire production. Those kinds of upgrades will allow the complex to in-



Derek Gee/Buffalo News

Tire builder Kevin Varney assembles a motorcycle tire at the Sumitomo Rubber USA tire manufacturing plant in Tonawanda. The complex task requires a combination of heavy-duty technology and employee skills.

crease its output.

"Most people when they see how tires are assembled are really surprised, because they think it's just a mold, and you just pour some liquid into a mold or something along those lines, and that's not that case at all," Noe said.

Instead, it's a complex series of steps that depend on a combination of employees' tire-building skills and heavy-duty technology. The 1-million-square-foot production floor is filled with hulking machines and the scent of rubber, as a tire makes its journey from basic components like a sheet of rubber, all the way to the curing press that subjects a nearly complete tire to extreme heat to complete the process. The most complex tires contain up to 18 components, and each step must be completed carefully to ensure the tire will perform well on the road.

Sumitomo is determined to make a breakthrough in the U.S. market. Last year, it ranked ninth in North American tire sales, with just 2.6 percent of the \$46.8 billion market, according to Tire Business, which tracks the industry. Bridgestone Americas was the leader, followed by Michelin and Goodyear.

Sumitomo leaders say they have much wider latitude to operate in the U.S. market since its business alliance with Goodyear ended in October 2015. Sumitomo wants to secure more sales of "original equipment" tires — which automakers install on new cars and trucks — in addition to serving the replacement tire market.

Richard Smallwood, president and CEO of California-based Sumitomo

Rubber North America, told Falken tire dealers earlier this year that the company's goal was to have at least 5 percent original equipment market share by 2019 or 2020, according to Tire Business.

"It's a huge opportunity, from a business standpoint and also from a factory standpoint," Noe said. "To have that presence here in North America, (we are) able to respond more quickly to the (original equipment) market as well as the replacement market."

Plant will ramp up production of Falken tires

Sumitomo wants to make Falken a familiar brand name, partly through raising customer awareness. As one step, Falken in fall 2015 replaced Firestone as the official tire sponsor of Major League Baseball.

While the Tonawanda plant will ramp up production of Falken car and truck tires over the next three years, it continues to make Dunlop-brand motorcycle tires, which are popular on the racing circuit, as well as Dunlop tires sold to Japanese automakers. Its production of Goodyear tires will steadily wind down as part of the two companies' separation agreement.

The local conversion from Goodyear to Sumitomo is not limited to manufacturing. For years, Goodyear handled all kinds of administrative duties at its Ohio headquarters, from information technology systems to employee benefits. Sumitomo has re-established that work locally as the Goodyear relationship draws to a close, and has added about 110 salaried

positions.

The four-year, \$87 million investment, announced in August, will spur the increase in tire production capacity.

Noe expects spending at the plant to accelerate in 2017. The company has ordered equipment and plans to build an addition to its complex to provide more space for its expanded operations.

Sumitomo has sent about 150 specialists to the Tonawanda plant from Asia, for at least two or three weeks, or even months at a time, to support the transition from Goodyear.

Yoshimi Sekime, a retired foreman with Sumitomo, visited recently as a technical adviser.

"We want to keep the quality we have already — it's good," Sekime said through a translator. "But we're going to have to improve the productivity."

Noe said the Tonawanda plant benefits from Sumitomo's input and guidance.

"It's not just a financial investment," Noe said. "It's a people investment."

The investment builds on a long history at the Tonawanda plant, which sits northwest of the Niagara Thruway between Buffalo and Grand Island.

End of Goodyear alliance was a key moment

Dunlop Tire & Rubber Corp., based in Britain, opened the facility in 1923 to make tennis and golf balls, as well as tires. In the 1980s, the tire plant faced financial turmoil and ownership changes. BTR bought it before Ameri-

can investors acquired the business in 1985, amid fears the plant could close.

That set the stage for what Noe viewed as three key moments in the plant's history.

The first was in 1986, when Sumitomo acquired Dunlop from local investors. From 1988 to 1992, Sumitomo poured \$250 million into the Tonawanda plant.

The second moment came in 1999, when Sumitomo formed its joint venture with Goodyear, and kept a stake in Goodyear Dunlop Tires North America.

"We probably wouldn't be here today if Sumitomo hadn't found a partner then, because of economic conditions in Japan," Noe said.

The third moment was just over a year ago, when the Goodyear-Sumitomo alliance ended.

"There's really no reason this factory can't be here another 93 years," Noe said. "There really isn't."

Tonawanda to expand research and development

Noe understands the plant's significance to the local economy as well as anyone. He was hired in 1978 and named plant manager in 2007. Goodyear in 2010 assigned him to manage a Virginia plant, then brought him back to lead the Tonawanda plant in early 2014.

Beyond expanding the capacity to make more tires, there is more to come at the plant, Noe said.

One of Sumitomo's aims in having a North American factory, Noe said, is to create its own research and development center for its North American tire product in the United States.

"We're developing the capability to do that here," Noe said.

Onga noted that the American tire market differs from other countries. For instance, he said, American drivers prefer all-season tires, unlike their counterparts in Europe and Asia, who are accustomed to switching between summer and winter tires. Sumitomo also wants to capitalize on Americans' affinity for SUVs, with tires for those vehicles.

Manufacturing workers are gearing up for full-scale production of Falken tires, said Thomas O'Shei, president of United Steelworkers of America Local 135, which represents hourly employees.

"We're doing a ton of development in order to get those tires ready to be produced here, and we've got a couple of new automatic tire-building machines coming in over the next couple years," O'Shei said.

It's a big transition, but O'Shei said workers like what they have seen. He remembers when workers wondered what the plant's fate might be when it was still part of Goodyear's network.

"Everybody's feeling pretty good about it," he said. "We all feel we're moving in the right direction, and we just want to make sure that we keep moving that way. We know that we still have a little to do on our part."

email: mglynn@buffnews.com

Snowfall of 2 inches per hour could make travel treacherous

VORTEX • from A1

southwest flow of frigid air across lakes Erie and Ontario.

Snow will start in the northern Erie County, with Amherst and Clarence expected to get 3 to 4 inches of snow.

The storm will then move into the Southtowns.

"There will also be a big impact from the lake-effect snow on the metro Buffalo area as the snow band is expected to form up across the city and northeastern suburbs during the afternoon commute," weather service fore-

Thursday.

With gusty west winds, wind chills are forecast to drop well below zero by 11 p.m. tonight and remain there until about 7 p.m. Thursday, forecasts show.

The heaviest snowfall for Buffalo Niagara will push southward overnight. Up to a foot of snow is forecast in southern Erie County and 15 inches in Chautauqua and Cattaraugus counties by Friday morning, according to the weather service.

How's this for some weather irony?

Last year on today's date, it reached 71 degrees, the latest in Buffalo weather history that it reached 70 degrees.

Householders could have 4 plants

MARIJUANA • from A1

plain packages without logos or slogans, and with standardized designs and fonts. The panel also recommended mirroring current rules on tobacco advertising, which essentially ban it.

Sales, the panel said, should be handled through special stores and not, as the province of Ontario had hoped, through government liquor stores. And the minimum buying age, it said, should be at least 18 or match provincial rules for alcohol.

It noted that marijuana stores

not be allowed to possess more than 30 grams. The panel also recommended maintaining stiff penalties against illegal sales.

The report found that there was no agreement on how to define when motorists are impaired by marijuana, and it urged governments to fund further research on that question.

The panel also said that taxes would have to be adjusted to reflect the concentration of active ingredients in different kinds of marijuana and to avoid prices that are so high as to drive buyers back to the black market.

Several medical marijuana

arrangement would have in a system that effectively bans advertising and other promotion.

Trudeau's government commissioned the report as it prepares to legalize and regulate recreational use of the drug, which would be a first among Group of Seven nations, with legislation promised by early next year.

"I think it's a very sound proposal and I think it will get quite a bit of support," Bloomberg Intelligence analyst Kenneth Shea said in a phone interview. "This gave good clarity. I didn't see any big surprises and I think it gives a good balance and a good respon-