



---

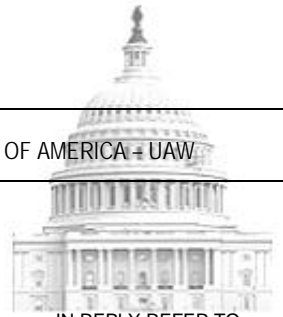
INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA - UAW

---

RON GETTELFINGER, President

ELIZABETH BUNN, Secretary-Treasurer

VICE PRESIDENTS: GENERAL HOLIEFIELD • BOB KING • CAL RAPSON • JIMMY SETTLES • TERRY THURMAN



IN REPLY REFER TO

October 30, 2008

1757 N STREET, N.W.  
WASHINGTON, D.C. 20036  
TELEPHONE: (202) 828-8500  
FAX (202) 293-3457

Dear Senator/Representative:

I'm writing on behalf of the one million active and retired members of the UAW, and on behalf of millions more workers, small business owners and citizens in communities across the United States.

All of us need your help in standing up for the Main Street economy.

In the face of a global credit crisis and a worldwide economic downturn, U.S. auto sales have slowed to a crawl. As insecurity spreads throughout the economy, consumers are delaying major purchases – and those who do visit auto showrooms are finding that credit is not available on reasonable terms.

With a recession looming and many workers seeing their life savings evaporate in the stock market, it's understandable that consumers are reluctant to take on more debt.

What's much harder to understand is why anyone would be reluctant to support targeted assistance to an industry that last year accounted for 3 per cent of America's Gross Domestic Product.

Make no mistake: The domestic auto industry cannot succeed in today's unstable economic environment without immediate help from the federal government. And the costs of failure are unacceptable.

This isn't just about three large Michigan-based companies and the 150,000 of our members who work there. It's also about thousands of car dealerships, which are anchor businesses in cities and towns all across America. It's about thousands of small and medium-sized businesses -- employing millions of workers – who supply parts, logistics, research, engineering and other services to Chrysler, Ford and GM.

If a major domestic auto company were to fail, a significant number of supplier companies would also be in jeopardy. This would quickly affect all companies that produce autos in the U.S. – including Toyota, Honda and Nissan – because many of these firms buy parts and services from the same group of suppliers.

A major disruption in the auto supply chain would quickly curtail production at auto plants, whether domestic or foreign-owned, throughout the United States. Under

current circumstances, it would be irresponsible beyond measure to consciously allow billions of dollars worth of productive output to be simply erased from the American economy.

In addition, more than a million retirees and dependents currently receive pension and health care benefits from Chrysler, Ford and GM. If these companies are not able to meet these obligations, the human toll on retirees and their families will be devastating. This would also impose severe costs on the federal pension guarantee program and public health care programs.

That's why strategic support for a key U.S. manufacturing industry is a smart move for U.S. taxpayers. The alternative is lost sales and revenue for thousands of businesses, lost jobs for workers, lost pension and health care benefits for retirees, and higher costs and lower tax revenues at all levels of government.

In the face of a looming economic catastrophe, it's disappointing to see some commentators – in particular, a recent column and editorial in the Washington Post – indulge in old-fashioned Detroit-bashing. It's surprising that in an age of instant access to information, these observers appear to be writing about the domestic auto industry of the 1970s.

Today's reality is that with substantial help from members of our union, cars and trucks from domestic producers receive quality awards from Consumer Reports, J.D. Power and others. On a head-to-head basis, our factory efficiency outranks the Japanese, and our 2007 labor agreement saves the companies billions of dollars and virtually eliminates the cost differential between union and non-union U.S. auto plants.

But all of this progress cannot overcome a basic fact: Right now – for reasons that have nothing to do with quality, efficiency, or labor costs – people are not buying cars. Which means car companies are not earning the revenue they need to stay afloat in a capital-intensive industry.

On Main Streets all over America, people know how bad the economy is – and they know how much worse it will get if American manufacturers don't get the help they need to weather this storm.

Here's what's needed:

First, the \$25 billion in low-cost loans for building fuel-efficient vehicles here in the U.S., already funded by Congress, must be released right away.

Second, in addition to low-cost loans for re-tooling – which are limited in scope and are intended to address our nation's long-term energy needs -- Congress must also provide additional financial assistance to help the auto companies weather the present economic downturn. Temporary help for a critical jobs-producing industry will pay off in the long run.

Finally, the U.S. Treasury and the Federal Reserve should use the tools at their disposal to provide urgently needed liquidity for auto manufacturers, dealers and consumers. This will help reverse the slide in auto sales and get private-sector money moving into the auto industry again.

To get the American economy working, we need to keep Americans working -- and assistance for the auto industry is exactly the right place to start.

Thank you for considering our views on these critical issues affecting American workers, businesses and communities.

Sincerely,

A handwritten signature in black ink, appearing to read "Ron Gettelfinger", with a long horizontal flourish extending to the right.

Ron Gettelfinger  
President, UAW

RG/AR:sk  
opeiu494  
L8488