PATTY MURRAY, WASHINGTON ROBERT P. CASEY, JR., PENNSYLVANIA TAMMY BALDWIN, WISCONSIN CHRISTOPHER MURPHY, CONNECTICUT TIM KAINE, VIRGINIA MARGARET WOOD HASSAN, NEW HAMPSHIRE TINA SMITH, MINNESOTA BEN RAY LUJÁN, NEW MEXICO JOHN W, HICKENLOOPER, COLORADO EDWARD J. MARKEY, MASSACHUSETTS

BILL CASSIDY, LOUISIANA
RAND PAUL, KENTUCKY
SUSAN M. COLLINS, MAINE
LISA MURKOWSKI, ALASKA
MIKE BRAUN, INDIANA
ROGER MARSHALL, KANSAS
MITT ROMNEY, UTAH
TOMMY TUBERVILLE, ALABAMA
MARKWAYNE MULLIN, OKLAHOMA
TED BUDD, NORTH CAROLINA

United States Senate

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS WASHINGTON, DC 20510-6300

WARREN GUNNELS, MAJORITY STAFF DIRECTOR AMANDA LINCOLN, REPUBLICAN STAFF DIRECTOR

www.help.senate.gov

October 16, 2023

VIA ELECTRONIC TRANSMISSION

The Honorable Joseph R. Biden, Jr. President of the United States The White House 1600 Pennsylvania Ave. NW Washington, D.C. 20500

Dear President Biden:

The United States has lost more workdays to labor disputes through August of this year than in any full year since 2000, according to a Wall Street Journal analysis of Department of Labor data. This sobering statistic illuminates the true impact of Bidenomics. Many striking workers have cited that their wages cannot keep pace with inflation, which has remained high due to the failed economic policies of your administration, with gas prices contributing to over half of the Consumer Price Index increase for the month of August. 2

As the United Auto Workers (UAW) strike has now gone on for 31 days, with an estimated economic loss of almost \$4 billion,³ I am compelled to remind you that you swore an oath to protect the U.S. Constitution, including interstate commerce and the general welfare.

In the months leading up to the UAW strike, media reports quoted you saying, "No, I'm not worried about a strike," and "It's not gonna happen." The Federal Mediation and Conciliation Service could have engaged to help the parties bargain in good faith to reach an agreement and avert a strike. There is no public indication, however, that the White House gave any consideration to activating this resource.

Once a strike did begin, you announced Acting Labor Secretary Julie Su and Senior Advisor Gene Sperling's involvement to resolve the strike, but then halted their participation based on union

-

¹ Peter Santilli, *The U.S. Lost 4.1 Million Days of Work Last Month to Strikes*, WALL ST. J. (Sept. 16, 2023, 9:00 AM), https://www.wsj.com/business/the-u-s-lost-4-1-million-days-of-work-last-month-to-strikes-92c6a9f7.

² Press Release, U.S. Bureau of Lab. Stats., Consumer Price Index Summary (Oct. 12, 2023), https://www.bls.gov/news.release/cpi.nr0.htm.

³ Second Week of UAW "Stand Up Strike" Sees Bigger Losses, ANDERSON ECON. GRP. (Oct. 2, 2023), https://www.andersoneconomicgroup.com/news-archives/second-week-of-uaw-stand-up-strike-sees-bigger-losses/.

⁴ Biden says he's not worried about a UAW strike; UAW president 'shocked', WXYZ DETROIT (Sept. 4, 2023, 1:43 PM), https://www.wxyz.com/news/biden-says-hes-not-worried-about-a-uaw-strike-uaw-president-shocked.

complaints of outside interference.⁵ To date, there has been no resolution, only an expansion of the number of union members on strike.

On September 26, you appeared on the picket line to support striking UAW members, an action never before taken by a sitting U.S. President. This unprecedented action, deemed "outrageous" by the Obama-Biden Car Czar, demonstrates that not only have you taken a side, but that your comments indicate you have conveniently forgotten the costly federal government bailouts of 2009. You supported UAW President Shawn Fain's key asks, including the reinstatement of pension benefits and dismantling much of the restructuring required by the Obama-Biden administration's Auto Task Force. As Vice President, you saw the damage that underfunded defined benefit pension plans inflicted on auto companies and their workers. This is why the Auto Task Force terminated these plans and transitioned the companies towards 401(k) retirement funds. The bailout of the UAW pension plan cost the American taxpayer over \$20 billion. Even with this bailout, Ford still spent \$1.2 billion in 2022 to pay for *legacy* U.S. pension plans. Reinstating pension plans would cynically put these workers' retirements at risk and harm American manufacturing.

The UAW has not endorsed your candidacy for reelection. Attempting to curry favor with this constituency by walking the picket line and supporting failed fiscal policies for your reelection disappointingly undermines your credibility.

Rather than pouring federal resources into failed economic policies and untenable electric vehicle policies, it is time to turn federal resources towards ending the UAW strike. To that end, please provide answers to the following questions by <u>October 30, 2023</u>.

- 1. Did Joe Biden for President or the Democratic National Committee pay for your picket line trip as a campaign event or was this considered official travel paid for by government funds?
- 2. Did you offer to visit the picket line in exchange for a UAW endorsement for your Presidential campaign?

⁵ Josh Boak, *Biden sending aides to Detroit to address autoworkers strike, says 'record profits' should be shared*, AP (Sept. 15, 2023, 3:28 PM), https://apnews.com/article/biden-strike-automakers-uaw-gm-50d3fbb70714b2faff3b8 7b596fc0455.

⁶ Victor Nava, Former Obama auto industry czar slams Biden's UAW picket line visit: 'Outrageous', N.Y. Post (Sept. 27, 2023, 7:40 PM), https://nypost.com/2023/09/27/former-obama-car-czar-slams-bidens-uaw-picket-line-visit-outrageous/.

⁷ Remarks by President Biden at United Auto Workers Picket Line, THE WHITE HOUSE (Sept. 26, 2023), https://www.whitehouse.gov/briefing-room/speeches-remarks/2023/09/26/remarks-by-president-biden-at-united-auto-workers-picket-line/.

⁸ Todd Zywicki, *The Administration's Auto Bailouts and the Delphi Pension Decisions: Who Picked the Winners and Losers?*, MERCATUS CTR. (July 10, 2012), https://www.mercatus.org/research/federal-testimonies/administrations-auto-bailouts-and-delphi-pension-decisions-who-picked.

⁹ Ford Motor Co., Annual Report (Form 10-K) (Dec. 31, 2022), https://www.sec.gov/ix?doc=/Archives/edgar/data/0000037996/000003799623000012/f-20221231.htm#ie50adb6d899d4f6ebcb5e73f7bd915e7 343.

- 3. Has the Council of Economic Advisors (CEA) assessed the cost of this strike to the American taxpayer and the gross domestic product? If so, please provide the report.
- 4. Has CEA determined how much another bailout of a failed UAW pension plan could cost the American taxpayer?

Thank you for your attention to this matter.

Sincerely,

Bill Cassidy, M.D.

Bill Cassidy, M.D.

Ranking Member

U.S. Senate Committee on Health, Education, Labor and Pensions