

UAW President Ron Gettelfinger
Press conference on America's auto crisis
November 20, 2008

Good afternoon everyone. First of all let me thank you for coming on short notice. We did want to have the opportunity to further our media message during what we consider to be a crisis in the auto industry. Allow me to begin first of all, to introduce the Secretary-Treasurer, Elizabeth Bunn; Bob King as you know is our V. P. of Ford; Cal Rapson, General Motors; General Holiefield is the V.P. of Chrysler.

You know we did have a couple of exciting days in Washington, I don't know if any of you were able to make it, but it was quite an experience. We really appreciated the opportunity. The opportunity to go there and tell the story of the auto industry because there are a lot of misconceptions out there. But the purpose of us gathering together today is that it is critically important the Bush Administration and Congress reach some agreement to take action to provide immediate assistance to the domestic auto companies.

Both the Bush Administration and Congressional leaders agree that immediate assistance is needed, and the cost of not acting could be devastating both to workers and to retirees in the industry and to millions of workers and to other retirees across this country and to our entire economy. And while there have been disagreements about the precise mechanism for providing assistance to the auto industry, surely it should be possible to work out an agreement on how to proceed.

Inaction is simply not an option. Without immediate assistance, we could see a collapse of one or more of the domestic auto companies by the end of this year. The costs that would flow from this are simply too great. You've heard the numbers: three million jobs, we have a million retirees, spouses and dependents, that would be losing possibly their pension and/or their health care benefits.

The federal Government would be saddled with huge pension and health care costs. Thousands of other businesses, suppliers, dealers and others depend on the auto industry would be in trouble. The current recession that we are in would be made

much worse with revenues to federal, state and local governments dropping forcing cuts to public programs.

And to prevent those devastating consequences, the Bush Administration and Congress need to act now to provide an emergency bridge loan to the domestic companies. To at the very least to enable these companies to continue operations until the Obama Administration can put in place a long-term plan to move the industry forward. Congress must not adjourn without an agreement with the Bush Administration to move forward with an emergency rescue plan for the domestic auto companies.

Allow me to say that during the debate that was heard in Washington, we've heard a lot about competitiveness, we haven't heard a lot about people. We throw out the figure the impact on three million people. Let's go to the competitiveness piece of it first of all.

Since 1992, states where we have transplants have located have put in over \$3 billion dollars in incentives and I would point out that is the money that the state settled for and I want to go specifically to Alabama if I could for a minute. We have Hyundai Motor Company that got \$252 million in incentives. Toyota there got \$29 million in incentives. Honda, \$158 million and Mercedes \$253 million in incentives. It just seems odd to us that we can help the financial institutions in this country and that we can offer incentives to our competitors to come here and compete against us but at the same time, we are willing to walk away from an industry that is the backbone of our economy.

And while I read these figures to you, which are the actual figures that we have been able to dig up. I want to go to one particular story and that is the plant in Mercedes, the Mercedes plant in Alabama.

As it turned out, as I said Alabama offered \$253 million but the state offered to train the workers, clear and improve the sites, upgrade the utilities, buy 2,500 vehicles and it is estimated that that incentive package totaled somewhere around \$175,000/per employee to create those jobs there. And on top of this, that state gave this automaker a large parcel of land-around \$250-\$300 million dollars. That was the same price or cost to them of building a facility.

So we can support our competition but we can't support an industry that is in need? And this need was not brought about because of what the industry has done. I

have heard some clamoring for management to resign. OK, let's just go back and look at the facts. First of all, will that fix the problem? I don't know; if it does, then let Congress put that as a stipulation.

But I would only call your attention to the fact that we concluded negotiations last year with General Motors. Their stock was over \$42 a share. What's happened since? We saw what happened in the sub prime, mortgages, we saw what happened in the credit crunch, we've watched a volatile stock market. And I am not here to defend the CEOs. My only question is, if that will fix the problem, then do away with it. But how has that driven their stock all the way down from \$42 to where it is at today? That to me becomes a distraction here.

We talk about the number of vehicles that GM has as an example, that gets over 30 miles to the gallon. We have just got a lot of well-kept secrets here that we have just not been able to get out. And we understand that people want to move forward with advanced technology vehicles. We have worked so hard with the industry to make that happen. That is why we come up with the Advanced Technology Vehicle Manufacturing Incentive Program. That was approved by Congress last year and then the money appropriated this year. It is not an easy take out here. It's a rough economy and the industry is caught up becomes the consumers are caught up.

Consumers cannot get loans that have reasonable interest rates on them and if we cannot get people in the showrooms to buy automobiles, we have got a huge problem—we have got a huge problem in this country. Our fear is that if one of these companies goes over the cliff, that for sure it could take at least one of the others if not both because of the way the supply base is interlaced with the companies. So we are here appealing to Congress and to the Administration to take action.

Now let me mention to you a bit about the contract. Again, and this is one thing that we were ready to defend in Wash. and I would simply say in this particular area, Channel 7 gave the UAW men and women Newsmaker of the Year. Auto. News did the same thing. Then we go to the Detroit Free Press and Michiganian of the Year. It was done because everybody said that the UAW sat down with management and worked out a transformational agreement.

Well, we've been transforming for a long time. It is not our fault that the economy is in the tank; that consumer confidence is low and what we need is a low-interest bridge loan to get us through this very difficult economic time in our country.

So, the people end of it. It is one thing for us to talk about the number of Americans that are impacted. It is another thing to see the worry that exists in active and retired members faces. To know that their jobs are imperiled and that they have a danger of losing it.

Last year we received a letter following negotiations. I have read it quite a bit and in speeches along the way but I just want to go to the very heart of it. We have a woman named Rita Pelfrey and she is drawing a surviving spouse pension and she is also drawing her pension. She lives in Toledo, Ohio. She gets a combined total of \$322 a month pension from GM. Last year our VPs here were able to work out some bonuses for our retirees. I want to say to you, read a paragraph that her son, Jim Upperman wrote. He said:

"I cannot express how elated she was when she found out that retirees were going to receive a bonus check in December, 2007. She received that check for \$452 and proceeded to donated 10% to charity, kept \$100 for Christmas, and deposited the other \$300 into a newly formed emergency account that we began for her.

Now that is what this is about. This is about a young family who are counting on these jobs so that they can provide for their children and perhaps have an education for their children in the future. It is about retirees like Rita who worry everyday about whether or not their pension check is going to come in. I just hope that one of the things that we haven't lost here is the impact of a bankruptcy on the part of any of these companies.