United States Senate

WASHINGTON, DC 20510

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

SPECIAL COMMITTEE ON AGING

JOINT ECONOMIC COMMITTEE

September 15, 2023

Gene B. Sperling Senior Advisor The White House 1600 Pennsylvania Avenue NW Washington, DC 20500

Dear Mr. Sperling:

I am writing to better understand your involvement in ongoing contract negotiations between the United Autoworkers (UAW) and the "Big Three" American automakers: Ford, General Motors, and Stellantis.

When President Biden tapped you in July to serve as the administration's liaison for the negotiations, it was widely assumed that your purpose would be to facilitate a workable settlement and avert a strike. After all, the auto industry is a major manufacturing sector, and the economic impacts of a sector-wide strike could be devastating. The White House described your task as "help[ing to] ensure Administration-wide coordination across interested parties and among White House policymakers." It seemed appropriate for the president to tap such a seasoned aide for this work.

Now that negotiations have failed to conclude in time to avert a strike, your involvement deserves further scrutiny. Two circumstantial issues, in particular, have caught my attention.

First, the negotiations have so far failed to address the existential threat posed by the premature transition to EVs. Electric vehicles and batteries are far less labor-intensive than typical automobiles and have supply chains that run through China. Conservative estimates show that the rapid transition to EVs could cost nearly half a million autoworkers' jobs.<sup>2</sup> UAW members and leadership have not been coy about their frustration with the President Biden's clean energy policies and their failure to support workers.<sup>3</sup> Yet the negotiations have not addressed issues related to EV production, and since your announced involvement, the official organs of the UAW have been silent on the Biden administration's destructive EV policies.

<sup>&</sup>lt;sup>1</sup> White House official quoted in, Zack Colman et al., "Biden brings in Sperling to calm looming Detroit showdown," <u>POLITICO</u> (July 3, 2023).

<sup>&</sup>lt;sup>2</sup> Kevin A. Hassett, "UAW Anticipating an Electric Shock," <u>National Review</u> (September 7, 2023).

<sup>&</sup>lt;sup>3</sup> Tweet, United Autoworkers @UAW (June 23, 2023).

Second, the UAW's planned strikes have targeted just three plants, including two in the deeply Republican states of Ohio and Missouri. Only one strike affects Michigan, where the bulk of UAW members live and work. This pattern seems hardly coincidental. A major, multi-plant strike in Michigan could be costly to one of the president's closest gubernatorial allies.<sup>4</sup> It might create economic reverberations across a state that Donald Trump won in 2016.

Perhaps these are mere coincidences, but your involvement supplies a different explanation and raises questions about the work President Biden enlisted you to do. It is unclear whether your purpose was to facilitate negotiations and avert a strike or to shield President Biden's policies from scrutiny and protect his and Democrats' political fortunes. If this is the case, I fear that you have exploited the UAW to protect your boss at the expense of American workers.

To establish transparency and ensure the public's trust, please respond with answers to the following questions by Friday, September 22<sup>nd</sup>:

- Have you spoken with the UAW about its strike plans or site-selection strategy?
- Have you advised the UAW on their public demands or bargaining priorities?
- Have you advised the UAW on its official statements about the administration's policies?
- What will your role be in the negotiations going forward?
- What are the prospects for resolving the negotiations and ending the strikes?
- Does President Biden plan to become involved in the negotiations?

Thank you for your service to the United States and commitment to its workers.

Sincerely,

JD VANCE

United States Senator

<sup>&</sup>lt;sup>4</sup> Jacob T. Burton et al., "The Michigan Economic Outlook for 2023-2025," <u>University of Michigan</u> (September 2, 2023).