



## Bus Tour Talking Points for USW leaders

### WHAT ARE WE DOING?

- An 11-state, 30-plus city bus tour with our union, the Alliance for American Manufacturing, local leaders, mayors, workers and others.
- The tour precedes a May 19<sup>th</sup> “teach-in” in Washington, D.C., where stakeholders will reconvene to discuss the importance of a strong auto industry with our elected leaders.

### WHY ARE WE DOING THIS?

- Millions of middle-class jobs, thousands of communities depend on a healthy domestic auto industry. (We estimate at least 7.2 million jobs)
- From manufacturing firms that produce auto parts and materials, to service providers to teachers, first responders and countless others, the auto industry’s economic impact is wide and deep.
- Their future is intertwined with the future of the auto industry and its supply chain.
- This is not just a Detroit issue or a Big 3 issue - this fight matters to all of us.

### THE GM PLAN/CHRYSLER PLAN/BAILOUTS/STIMULUS/GOVERNMENT RESPONSE:

- Any taxpayer-funded plan to help the auto industry should not be based solely on returning companies to profitability. It should make domestic production a priority.
- We don’t want more jobs being exported; we want the domestic auto industry, and manufacturing in general, strengthened.
- The “GM plan” in its current form promotes off-shoring domestic jobs as a way to return to profitability. Our union is opposed to this.

### FOREIGN VS AMERICAN:

- This is not about foreign vs. American companies, or transplants vs. U.S.
- We’re saying: If you sell it here, make it here.

### CORE POLICY PRIORITIES (OUR FOUR PRINCIPLES, or “THE ASK”):

- We need to stimulate domestic demand for automobiles
  - We should give vouchers that give more money for domestically-produced vehicles; and
  - We need programs that restore the flow of credit to consumers and auto suppliers.
- Our tax dollars must be used to keep auto production in the United States
- We must restore cooperation, innovation between auto companies and their suppliers and increase research and development
- Create policies that allow our auto industry to compete globally:
  - Make sure that healthcare costs do not hurt U.S. auto producers; and
  - Enact trade policies that promotes our domestic auto industry

### HOW OUR UNION IS AFFECTED:

- Some 350,000 of our 850,000 active members have jobs that depend on the auto industry.
- Range from auto parts and supply to paper workers who make glossy free-coated paper for auto catalogs and boxes for shipments. Makers of conveyor belts that move parts to those who mine iron ore for steel and make computer chips, glass for windshields, tires, chemical brighteners, and of course steel.
- We also represent bank workers who write auto loans, nurses who work at community hospitals that could be affected; bus drivers who would be hurt if schools have to close or cut budgets.

# Useful Data for Bus Tour

(Sources for data: USW Analysis of Ward's Auto Vehicle Sales data and the U.S. National Highway Traffic Safety Administration Part 583 American Automobile Labeling Act Reports; UAW analysis of the General Motors' Restructuring plan)

The Detroit 3 (General Motors, Ford and Chrysler) - or D-3 – domestically (U.S. and Canada) produce almost all of the cars and trucks they sell in the U.S.

- In 2008, the D-3 produced 89 percent of the vehicles they sold in the U.S. in either U.S. or Canada.
- By comparison, the Transplants imported about 50 percent of the vehicles they sold in the U.S.

It matters where a vehicle is produced when it comes to domestic content.

- When the D-3 produces a car or truck in the U.S. or Canada, it averages 72 percent domestic content.
- This is also true for what we call the Transplant 3 (Toyota, Honda and Nissan). When they produce a car or truck in the U.S., the vehicle averages 64 percent domestic content.
  - This high level of domestic content helps support the 7.2 million jobs that depend on the Auto industry.
- However, when the Transplants import cars, they use dramatically less domestic content.
  - Of the vehicles that the Transplant 3 (again, Toyota, Honda and Nissan) import and sell in the U.S., those vehicles average only 8 percent domestic content.
  - The other Transplants use even less domestic content – only 3 percent content for the vehicles they import for sale in the U.S.

The problem now is that GM's plan – **financed by billions of OUR tax dollars** - is to close U.S. plants and import more vehicles from South Korea, China and Mexico.

- The plan calls for importing over **365,000 more** cars from these countries.
- This represents a **98 percent increase** in imports.
- Not coincidentally, this volume equals the volume of the four U.S. plants GM wants to close as part of this plan.
- The vehicles that GM imports will have domestic content like the Transplants when they import cars. Meaning, as the worst-case scenario, the newly-imported GM cars would only have 5 percent domestic content, instead of the 76 percent domestic content for its domestically produced vehicles.