



December 10, 2008

Support an Automotive Rescue Plan

Dear Senator:

On behalf of the Transportation Trades Department, AFL-CIO (TTD), I urge you to support the Auto Industry Financing and Restructuring Act to shore up a crucial component of the American economy currently in crisis. Recent reports clarify just how critical this legislation is to the survival of American auto makers, their employees, and the millions of American workers who rely on this vital industrial sector for good jobs and economic security. Failing to address this crisis with direct financial support from Congress will result in significant economic distress for downstream suppliers and other businesses as well as state and local governments.

According to an Economic Policy Institute (EPI) study, the collapse of Chrysler, GM and Ford would cause increases in the unemployment rate between nearly four percent and nine percent in the nine hardest-hit states. Up to 3.3 million U.S. jobs could be cut, with losses rippling throughout the American economy. EPI estimates the transportation sector alone is at risk to hemorrhage nearly 70,000 good-paying jobs.

Transportation workers understand first-hand the necessity of a strong automotive and manufacturing sector. Auto producers are key customers of freight transportation carriers, and the bankruptcy-related downfall of Chrysler, GM and Ford could have a rippling effect among transportation carriers and their employees as they struggle due to the loss of key customers. Additionally, many parts suppliers to the major auto companies also supply rail and transit equipment manufacturers. If auto makers fail, these suppliers risk failing. As a result, key transportation industries would be left without crucial equipment for expansions and repairs.

Allowing auto makers to lapse into Chapter 11 status, also risks placing a sanctioned, unsustainable burden on the Pension Benefit Guaranty Corporation (PBGC). The PBGC is bearing the load of multiple pension guarantees, including a significant number of airline workers' pensions, and can ill-afford the devastating blow of added liability. The termination of auto employees' benefits would jeopardize the agency's current responsibilities and may require more government involvement if the system collapses.

Despite current widespread economic instability, the domestic automotive industry remains a pillar of the U.S. economy and is responsible for one in every ten American jobs. The U.S. automotive industry touches every segment of the American economy.

Our workers and our country cannot afford inaction.

Transportation labor strongly supports an automotive rescue plan, and we urge lawmakers to

Transportation Trades Department, AFL-CIO

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Edward Wytkind, President • Patricia Friend, Secretary-Treasurer



quickly pass the Auto Industry Restructuring and Financing Act to avert crisis.

Sincerely,

A handwritten signature in black ink, appearing to read 'Edward Wytkind', with several loops and flourishes.

Edward Wytkind
President