

Why a Democratic labor ally is threatening Biden's energy agenda

A United Auto Workers strike against the big U.S. automakers would pose tangible and political problems for the president's push for electric vehicles.

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President Joe Biden's pledge to make electric vehicles the center of his clean energy economy is hitting a roadblock: one of his party's most powerful allies in the labor movement.

The United Auto Workers' criticisms of Biden's handling of his electric car and truck subsidies have become a frequent theme for the 150,000-member union as it prepares for a [possible strike against the major U.S. automakers](#) this week. That means a key part of the president's trillion-dollar-plus climate and infrastructure agenda, a centerpiece of his argument for reelection, faces friction with a major source of Democratic political muscle in states like Michigan.

Labor supporters say the roots of the conflict date back decades, to Democratic presidents who pursued pro-business or free-trade policies that the union blames for hollowing out protections for American workers. Now Biden is facing the blowback from that era, even as he pursues energy policies that he pledges will reverse that tide and rebuild U.S. manufacturing jobs.

"UAW members feel abandoned by the Democratic Party," former UAW President Bob King said in an interview, citing President Bill Clinton's signing of the North American Free Trade Agreement and the failure of Biden's Inflation Reduction Act to ensure that clean energy funds flow to union workers. "I think there's a segment of the Democratic Party that sees itself as serving corporations rather than the common good. ... We've had a lot of disappointments."

Biden has touted the climate incentives in last year's Inflation Reduction Act and his 2021 infrastructure law as critical to driving a U.S. manufacturing revival. Those laws have already drawn more than \$200 billion in new investments from the private sector for plants to make clean energy products such as electric vehicle batteries and solar panels, aimed at reducing U.S. dependence on fossil fuels.

But those clean energy investments are [mostly flowing to Republican-led states and congressional districts](#), including in states with low levels of union membership and laws that make labor organizing difficult. The UAW could also see a long-term erosion of members from the switch to electric vehicles, which generally have fewer parts than

gasoline-powered models — especially if workers making the EVs' crucial batteries aren't covered by the same protections as traditional autoworkers.

UAW President Shawn Fain has demanded that the Biden administration ensure that union members share in the transition to electric cars and trucks. In an interview with CNN on Monday, Fain reiterated that the union is waiting for the administration's response before it endorses Biden's reelection — [something Fain has so far refused to do](#).

“Actions are going to dictate endorsements, so we'll see how things continue to play out, and we have a lot of issues to resolve,” he said. “There's a lot with the EV transition that has to happen, and there's hundreds of billions of our taxpayer dollars that are helping fund this, and workers cannot continue to be left behind in that equation.”

Biden agrees that workers must share in the benefits, senior White House adviser Gene Sperling told POLITICO, adding that the president “was always laser focused on ensuring that the transition to an electric vehicle future was one that promoted union jobs and ensured that those impacted by new technologies had the first shot at new jobs at comparable wages at a retooled factory in their own community.”

So far, the White House has not publicly waded into the UAW negotiations with the car makers. Nor have Democratic lawmakers like Sen. Sherrod Brown (D-Ohio), though Brown — who faces reelection next year — accused automakers of using economic crises over the years to wring concessions out of the union.

“There's nothing really for us to do except to play out the negotiations,” Brown said.

The union has threatened to strike if it fails to reach an agreement for a new contract with Ford, General Motors and Stellantis by late Thursday night — and hasn't ruled out striking against all three at once. Such a strike could hurt Biden's climate agenda directly, by temporarily shutting down the manufacturing of electric vehicles at the Big 3 automakers' plants.

The UAW is demanding that workers share in the companies' record profits, insisting that rank-and-file workers get raises close to the 40 percent pay increase it says CEOs have gotten since the last contract was signed. It recently scaled back its pay-raise demand to 36 percent, according to two people who were granted anonymity to describe their knowledge of the confidential discussions.

A strike “could not come at a worse time” for the major automakers, whose electric vehicle programs are at a critical transition stage, said Daniel Ives, managing director for equity research at the firm Wedbush Securities.

GM has pledged to double electric vehicle production in the second half of this year, despite supply chain problems, while Ford recently delayed its goal of reaching an

annual production rate of 600,000 electric vehicles from the end of this year to 2024, citing softening consumer demand.

Both companies have poured billions into developing their electric lineups and are seeking to make those divisions profitable in the coming years.

“2024 — that’s the make-or-break year for the EV transition,” Ives said. “If a strike did happen, it would delay model rollouts, marketing, cause a lot of disruption.”

Meanwhile, political tension with UAW members could harm Democrats’ hopes for next year’s elections, especially with Michigan looming yet again as a presidential swing state and Brown facing a critical Senate race in Ohio.

In 2012, the UAW flexed its muscle and helped reelect President Barack Obama after he had delivered a bailout that kept the industry afloat and secured jobs for the union members. (His opponent, now-Sen. Mitt Romney (R-Utah), had written a New York Times op-ed that bore the headline, “[Let Detroit Go Bankrupt](#).”) But the erosion of jobs in Midwestern states such as Ohio has hurt the union’s base there — and, King contends, the Democrats who benefited from the union’s get-out-the-vote campaign in 2012.

“That was the last time we took Ohio,” King said. “And I’m not a political scientist, but my gut is that one of the reasons we’re not winning Ohio now is we’ve lost so many UAW facilities in Ohio.”

Michigan went for Donald Trump in 2016 after he [siphoned off a significant number of labor union households](#) with his anti-free-trade message. Biden won the state in 2020.

The UAW has said it “[supports the transition to a clean auto industry](#)” — but it [has slammed the Biden administration](#) for issuing multibillion-dollar clean energy loans “with no consideration for wages, working conditions, union rights or retirement security,” including \$9.2 billion awarded to Ford for battery plants it plans to build in Tennessee and Kentucky.

Trump, the GOP front-runner to take on Biden, has sought to [seize on the autoworkers’ criticisms](#) and openly [asked for the UAW’s endorsement](#), contending in a campaign statement last week that the president’s push for electric vehicles would “kill countless union autoworker jobs forever.”

Voters aren’t going to fall for that message, argued Alysia Diebolt, the chair of the Democratic Party in Macomb County, Mich., which is home to plants operated by the Big 3. She said she’s heard the anxiety about electric vehicles from residents in her county, but she maintained that the real-world impact of Biden’s policies outweighs whatever warnings people are hearing from Republicans like Trump.

“What Joe Biden has done with the infrastructure bill ... these are actual results that are actually benefiting the communities that you’re living in,” Diebolt said. “That is more effective, and frankly more believable, than these very desperate emotional ploys.”

But Republican Ohio Sen. J.D. Vance repeated the common GOP complaint that shifting to electric vehicles would require importing components such as batteries from China — making Democrats’ agenda a real threat to autoworkers in the Rust Belt.

“They’re pursuing a set of EV policies that are enriching an industry primarily headquartered in China at the expense of workers in Ohio, Michigan and Pennsylvania,” Vance said. “Politically, it’s very stupid.”

While Michigan has seen billions in new investments come to the state to help build the electric vehicles and their components, the bulk of the new spending is migrating to the Southeast, where states like Georgia and North Carolina are attracting plants.

Biden has called himself [“the most pro-union president in American history”](#), [designated Sperling as a White House liaison](#) to the UAW talks, and has [made clear he wants the electric vehicle transition](#) to support high-paying, union jobs. At the end of August, the administration announced \$12 billion in funding for automakers to retrofit their existing factories to produce EVs and hybrids — with the goal of keeping autoworkers in their unionized jobs. “When you look at how” that program “was implemented, you can see how closely it hues to the President’s vision and values,” Sperling said.

On the other hand, his climate law does not include a proposed [additional financial incentive for union-made electric vehicles](#), a provision that Senate energy chair Joe Manchin (D-W.Va.) had opposed.

Democrats said they aren’t backing away from Biden’s push for clean energy and electric vehicles, but they expressed wariness that the shift may come too quickly for some workers to adapt.

“It just has to be done in a way, long term, that gives the opportunity for workers to get their fair share of what is coming.” said Sen. Debbie Stabenow (D-Mich.), who spent Labor Day with UAW leaders in Detroit. “It’s not easy to do this kind of a transition.”

Olivia Olander and Holly Otterbein contributed to this report.