July 11, 2012

What We Learned About The Outsourcer In Chief

Thanks To Obama's Stimulus, Billions Of Dollars Have Been Sent Overseas At The Expense Of American Jobs

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EVEN DEMOCRATS WERE TELLING OBAMA TO STOP SENDING BILLIONS OF DOLLARS FROM THE STIMULUS OVERSEAS

A Department Of Energy Study Found "That 60 Percent Of The 40 Largest Wind Farms Then Financed By The Stimulus Relied On Foreign Manufacturers For Their Central Components, Including Turbines." "According to some critics, a galling example of the Obama administration fostering overseas work came as part the 2009 stimulus program. They point to millions of dollars meant to develop a domestic clean-energy industry that instead landed in the hands of foreign businesses. An April 2010 study by the Energy Department found that 60 percent of the 40 largest wind farms then financed by the stimulus relied on foreign manufacturers for their central components, including turbines." (Tom Hamburger, Carol D. Leonnig and Zachary A. Goldfarb, "Obama's Record On Outsourcing Draws Criticism From The Left," *The Washington Post*, 7/9/12)

Sens. Chuck Schumer (D-NY), Bob Casey (D-PA), Sherrod Brown (D-OH) And Jon Tester (D-MT) Urged President Obama To Suspend A Stimulus Program Sending Money Overseas To Foreign Manufacturers. "In the wake of a new report revealing that a clean-energy grant program in the stimulus has paid out more than $1 billion to foreign manufacturers, U.S. Senators Charles E. Schumer (D-NY), Bob Casey (D-PA), Sherrod Brown (D-OH) and Jon Tester (D-MT) urged the Obama administration Wednesday to suspend the program indefinitely until the law can be fixed so that funds only flow to projects that will create jobs in the United States." (Press Release, "Schumer, Casey, Brown & Tester Urge Obama Administration To Suspend Stimulus Program Funneling Billions Overseas," Office Of Sen. Charles Schumer, 3/3/10)

- **Research From The Investigative Reporting Workshop Showed That 79 Percent Of The First $2 Billion Went To Foreign Manufacturers.** "Administration officials have said they do not have the authority to prevent that payment. If the aid goes through, it would be just the latest example of a larger trend, according to an independent report conducted last month. The Investigating Reporting Workshop found that 79 percent of the $2 billion in grants doled out by the clean-energy program in the stimulus so far went to foreign companies." (Press Release, "Schumer, Casey, Brown & Tester Urge Obama Administration To Suspend Stimulus Program Funneling Billions Overseas," Office Of Sen. Charles Schumer, 3/3/10)

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Sen. Schumer (D-NY): "It is a no-brainer that stimulus funds should only go to projects that create jobs in the United States rather than overseas …"(Press Release, "Schumer, Casey, Brown & Tester Urge Obama Administration To Suspend Stimulus Program Funneling Billions Overseas," Office Of Sen. Charles Schumer, 3/3/10)

Sen. Bob Casey (D-PA): "It's simple: The American Recovery and Reinvestment Act should reinvest in America and help America and American workers recover …"(Press Release, "Schumer, Casey, Brown & Tester Urge Obama Administration To Suspend Stimulus Program Funneling Billions Overseas," Office Of Sen. Charles Schumer, 3/3/10)

Sen. Sherrod Brown(D-OH): "We cannot sit idly by while China races to the forefront of clean energy production at the expense of U.S. manufacturing, U.S. jobs, and U.S. energy independence. And we certainly can't shoot ourselves in the foot by helping to finance Chinese clean energy production." (Press Release, "Schumer, Casey, Brown & Tester Urge Obama Administration To Suspend Stimulus Program Funneling Billions Overseas," Office Of Sen. Charles Schumer, 3/3/10)

STIMULUS RECIPIENT FILLS JOBS FOR AMERICANS WITH FOREIGN WORKERS

Dow Kokam Received A $161 Million Stimulus Award To Build An Electric Vehicle Battery Manufacturing Facility In Midland, MI. ("Grants - Award Summary: Dow Kokam MI, LLC," Recovery.gov, Accessed 6/27/12)

In December 2011, Dow Kokam Admitted That More Than 180 Korean Nationals Were Setting Up And Testing Equipment At The Stimulus-Funded Battery Plant. "More than 180 Korean nationals are in Midland helping set up and test equipment at the Dow Kokam battery plant, but company officials say the workers are not here for the long haul. 'These workers, who are Korean nationals, are not employees or contractors of Dow Kokam and will only be at the facility until the warranty runs on the equipment are complete.' Dow Kokam spokeswoman Kristina Schnepf said in a release." (Kathryn Lynch-Morin, "Company Official Says Korean Workers At Dow Kokam For Installation Only, Not For Long Term," *Michigan Live*, 12/13/11)

- **Union Officials Complained That With 29 Percent Unemployment Among Construction Workers, The Installation Of Equipment Could Have Been Done By Americans.** "Still, area union officials say the work could be done by local trades men and women. 'To blatantly say these are high tech installation jobs, and cannot be performed by Michigan Tradesmen is a bending of the truth,' said William Borch, upstate business agent for Ironworkers Local 25. 'The rate of unemployment for Michigan construction workers is near 29 percent and Midland's neighboring Isabella County has the highest unemployment rate in the state. It is hard to believe that we allow this travesty.'" (Kathryn Lynch-Morin, "Company Official Says Korean Workers At Dow Kokam For Installation Only, Not For Long Term," *Michigan Live*, 12/13/11)

- **"The Unions Insist They've Seen Foreign Workers Doing The Very Jobs Americans Could Do."** "The unions insist they've seen foreign workers doing the very jobs Americans could do. 'The thing that was alarming to us was that there are people actually doing the work out there, installing the machinery, doing electrical work, piping work, mill right work, installing the machines in this plant,' Mangione said." (Sharyl Attkisson, "Unions Say Foreign Workers Taking Stimulus Jobs," CBS News , 4/13/12)

Dow Kokam Was Among Two Korean Battery Manufacturers That Got Taxpayer Funds And Then "Bought A Lot Of Korean Equipment And Supplies. And They Filled Some Of Those Sought-After Jobs With Korean Workers." "In 2010, Obama and Vice President Biden personally appeared to break ground at two Michigan plants. The plants were getting a combined $300 million under the stimulus program to build electric car batteries. But as it turns out the companies getting all those American tax dollars are largely owned by Koreans. They bought a lot of Korean equipment and supplies. And they filled some of those sought-after jobs with Korean workers. That drew anger from local labor unions.

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They say pictures, taken inside the plants show Korean nationals doing hands-on work that should be done by Americans." (Sharyl Attkisson, "Unions Say Foreign Workers Taking Stimulus Jobs," CBS News , 4/13/12)

- **In A Response To A Freedom Of Information Act From The Unions, The Obama Administration Admitted That 11 Of The 18 Contractors Working At The Site Were Asian Firms.** "The unions wrote complaint letters to the Labor Department and the president, but got few answers. So they filed a Freedom of Information Act request. In it, they asked for payroll records of LG Chem contractors performing construction work. The government's response named 18 companies; at least 11 of them are Asian firms. Energy Department officials say they're confident all laws are being obeyed, but declined our interview request to talk about foreign workers on stimulus jobs." (Sharyl Attkisson, "Unions Say Foreign Workers Taking Stimulus Jobs," CBS News , 4/13/12)
- **Dow Kokam Will Not Release A Grand Total Of The Number Of Foreign Workers At The Stimulus-Funded Battery Plant.** "'The companies, LG Chem and Dow Kokam, wouldn't agree to interviews. but they told CBS News the Korean workers are temporary and legal and have "unique ... expertise (with) highly sophisticated equipment.' But just how many there are remains a mystery. The companies won't tell us. Dow Kokam acknowledged 150 on site last December, but won't give a grand total." (Sharyl Attkisson, "Unions Say Foreign Workers Taking Stimulus Jobs," CBS News , 4/13/12)

OBAMA CREATED 500 MANUFACTURING JOBS IN FINLAND TO MAKE EXPENSIVE SPORTS CAR

"With The Approval Of The Obama Administration," Fisker Automotive Began Assembling Its First Line Of Electric Sports Cars In Finland. "With the approval of the Obama administration, an electric car company that received a $529 million federal government loan guarantee is assembling its first line of cars in Finland, saying it could not find a facility in the United States capable of doing the work." (Matthew Mosk and Brian Ross, "Car Company Gets U.S. Loan, Builds Cars In Finland," ABC News, 10/20/11)

- **"Fisker Used The First $169 Million In Taxpayer Funds To Bring To Market The Karma, A Flashy $100,000 Hybrid Sports Sedan That It Assembles In Finland."** (Matthew Mosk, "Fisker May Never Build Electric Cars In US," ABC News, 5/30/12)

"Since Being Launched, Sales Of The Vehicle Have Been Minuscule And The Company Had To Recall More Than 200 Of The Plug-In Electric Hybrids Due To A Battery Problem That Could Cause A Fire." (Michael Wayland, "Unplugged? $1000 Fisker Karma Electric Plug-In Breaks Down During Testing," MLive.com, 3/11/12)

- **Another Karma Is Suspected In Causing A Fire In Texas Which Destroyed The Owner's Home.** "More recently, one of the high-priced cars went up in flames in the garage of its Texas owner. Fisker said the car was unplugged at the time of the fire and the battery pack was intact and still working after the blaze -- all clear indications, they said, that neither the car nor its battery had anything to do with the fire. A spokeswoman for the National Highway Traffic Safety Administration told ABC news the agency is 'aware of the incident and is working with local authorities to evaluate whether there are any potential safety implications.'" (Matthew Mosk, "Fisker May Never Build Electric Cars In US," ABC News, 5/30/12)

While Fisker's Cars Were Being Built In Finland, American Workers Who Were Supposed To Be Building Fisker's Cars Were Laid Off

Fisker Was Supposed To Use The Stimulus Funds To Employ 2,000 Workers At A Former General Motors Plant In Delaware. "Fisker received federal funds in part to help purchase a shuttered General

Motors plant in Delaware, where it predicted it would one day employ 2,000 auto workers to assemble the clean-burning gas-electric family car, known as the Atlantic. But company executives began hinting in February that it would reconsider that plan and look for a cheaper place to build the car after the Department of Energy froze the $529 million green-energy loan the company had received, and had been drawing on since 2010." (Matthew Mosk, "Fisker May Never Build Electric Cars In US," ABC News, 5/30/12)

- **In April, Fisker Laid Off 12 More Workers At Its Delaware Plant Leaving Only A Skeleton Crew On Site.** "Fisker Automotive, the startup hybrid-electric carmaker backed by the state and federal governments, has laid off another dozen workers at its Newport-area factory. The layoffs, which occurred quietly Friday, come as the company continues closed-door negotiations with the U.S. Energy Department for a loan that could determine whether Fisker ever builds a car in Delaware. Meanwhile, the state continues to pay the utility bills for the factory, holding out hope that the automaker will still put scores of Delawareans back to work. (Jonathan Starkey, "Fisker Plant 'Absolutely Empty,'" *The News-Journal*, 4/17/12)
- **"Today, Fisker Employs Only A Small Maintenance Team At The Site 'Protecting Plant Assets And Maintaining The Facility,' Said Fisker Spokesman Russell Datz."** (Jonathan Starkey, "Fisker Plant 'Absolutely Empty,'" *The News-Journal*, 4/17/12)
- **In May, Fisker Automotive Announced That It May Not Build Its Hybrid Electric Vehicles In The United States.**"The luxury carmaker Fisker Automotive continues to signal it could ditch plans to build its next generation hybrid electric vehicle in the United States, despite the nearly $200 million in Obama administration loan money it has already received." (Matthew Mosk, "Fisker May Never Build Electric Cars In US," ABC News, 5/30/12)

OBAMA'S ECONOMIC ADVISER TOUTED THE BENEFITS OF OFFSHORING

"Diana Farrell, Who Was Obama's Deputy Economic Policy Adviser For Two Years, Promoted The Benefits Of Offshoring While She Worked At The McKinsey Global Research Institute." "Diana Farrell, who was Obama's deputy economic policy adviser for two years, promoted the benefits of offshoring while she worked at the McKinsey Global Research Institute. Farrell was the primary author of a 2003 report called 'Offshoring: Is it a Win-Win Game?,' which concluded that the benefits to the United States of offshoring exceed the costs. Farrell did not respond to multiple requests for comment." (Tom Hamburger, Carol D. Leonnig and Zachary A. Goldfarb, "Obama's Record On Outsourcing Draws Criticism From The Left," *The Washington Post*, 7/9/12)

Diana Farrell Is An Advocate Of "Offshoring And Innovation To Produce Economic Growth." "An advocate of offshoring and innovation to produce economic growth, Farrell joined President Barack Obama's administration early on, as he fought to restore confidence in the credit markets and save financial institutions on the brink of destruction. Despite rumors she might replace her boss, Farrell announced in November 2010 that she would leave the National Economic Council at about the same time as Larry Summers." ("Who Runs Gov: Diana Farrell," *The Washington Post*, Accessed 5/2/12)

- **Farrell Published Research That Said Offshoring Jobs Brings "Substantial Benefits" To The United States.** "But another one of Obama's choices, Diana Farrell, may be just as important in shaping White House policy. The former director of the McKinsey Global Institute, McKinsey & Co.'s economics research arm, Farrell has been tapped to serve on the National Economic Council and as deputy economic adviser to the president. McKinsey, a management consulting firm, has published research that argues that offshore outsourcing to low-wage countries brings 'substantial benefits' to the U.S. Its studies and reports have been cited by the tech industry in

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support of the H-1B visa program." (Patrick Thibodeau, "H1-B, Offshoring Supporters Get Key Obama Administrations Posts," ComputerWorld, 2/3/09)

OBAMA'S FAILURE TO ADDRESS CHINESE CURRENCY MANIPULATION HAS COST HUNDREDS OF THOUSANDS OF AMERICAN JOBS

Obama's Failure To Confront China Cost The United States 450,000 Jobs From 2008 To 2010. "American jobs have been shifting to low-wage countries for years, and the trend has continued during Obama's presidency. From 2008 to 2010, U.S. trade with China alone cost about 450,000 American jobs because of the growth of Chinese exports, said Robert E. Scott, a pro-labor advocate at the liberal Economic Policy Institute. That figure was less than in previous years, but the decrease was probably tied to the U.S. economic slowdown, which crimped demand for imports. 'I think he has walked away from the campaign commitments,' said Scott, the institute's director of trade and manufacturing policy research. 'He has done far too little to improve U.S. trade.'" (Tom Hamburger, Carol D. Leonnig and Zachary A. Goldfarb, "Obama's Record On Outsourcing Draws Criticism From The Left," *The Washington Post*, 7/9/12)

"Obama's Critics, Primarily On The Political Left, Say He Has Repeatedly Failed In Other Ways To Protect American Jobs From Being Moved Overseas" Including Confronting China. "While White House officials say they have been waiting on Congress to act, Obama's critics, primarily on the political left, say he has repeatedly failed in other ways to protect American jobs from being moved overseas. They point to a range of actions they say he should have taken: confronting China, reining in unfettered trade and reworking a U.S. visa program that critics say ends up sending high-tech jobs abroad." (Tom Hamburger, Carol D. Leonnig and Zachary A. Goldfarb, "Obama's Record On Outsourcing Draws Criticism From The Left," *The Washington Post*, 7/9/12)

- **Robert Scott Of The Economic Policy Institute: "I Think He Walked Away From The Campaign Commitments."** "'I think he has walked away from the campaign commitments,' said Scott, the institute's director of trade and manufacturing policy research. 'He has done far too little to improve U.S. trade.' According to a study by the U.S. Bureau of Economic Analysis, large American companies in 2010 barely added any workers in the United States, increasing their numbers by 0.1 percent, while they expanded their foreign workforce by 1.5 percent." (Tom Hamburger, Carol D. Leonnig and Zachary A. Goldfarb, "Obama's Record On Outsourcing Draws Criticism From The Left," *The Washington Post*, 7/9/12)

- **Scott Paul, Head Of The Alliance For American Manufacturing, Is "Perplexed" By Obama's Refusal To Label China A Currency Manipulator.** "But Obama's critics say the most important step the president could take — but hasn't — is to declare China a 'currency manipulator,' which could ultimately allow the U.S. government to erect tariffs to protect American industries. 'I'm perplexed by this decision because it runs counter to the goal of re-shoring jobs from China,' Scott Paul, head of the labor-backed Alliance for American Manufacturing, said in a May statement." (Tom Hamburger, Carol D. Leonnig and Zachary A. Goldfarb, "Obama's Record On Outsourcing Draws Criticism From The Left," *The Washington Post*, 7/9/12)

Even Obama's Fellow Democrats Have Criticized Him For His Inaction

Sen. Sherrod Brown (D-OH): "Once Again, The U.S. Treasury Department Has Given China A Free Pass When It Comes To Its Currency Manipulation." "'Once again, the U.S. Treasury Department has given China a free pass when it comes to its currency manipulation,' Brown said. 'While we're seeing American manufacturing rebound, China is stepping up its efforts in a number of critical sectors, including clean and solar energy, advanced manufacturing, and auto parts. Addressing China's currency manipulation is critical to our economic recovery and for job gains, and despite wide bipartisan support in the Senate for legislation that tackles this issue, the U.S. House has failed to act. Speaker Boehner

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should bring the Currency Exchange and Oversight Reform Act to the floor as soon as possible.'" (Press Release, "Treasury Giving China A 'Free Pass' On Currency Manipulation," Senator Sherrod Brown, 5/25/12)

Sen. Charles Schumer (D-NY): "The Administration Continues To Let China Get Away With Flouting Trade Rules Just For The Sake Of Diplomacy." Sen. Charles Schumer (D-N.Y.), who has been sponsored legislation that would punish Chinese imports for the undervalued currency, also criticized the administration's report. 'The administration continues to let China get away with flouting trade rules just for the sake of diplomacy. Calling out China as a manipulator may be awkward, but it is time to take off the kid glove,' he said in a statement. 'With the administration continuing to balk on this, it's up to Congress to act. The Senate has passed bipartisan legislation to confront China and stand up for American workers, and Speaker Boehner needs to stop sitting on it and give it a vote.'" (Julian Pecquet, "Treasury: China Not Manipulating Currency," *The Hill*'s "Global Affairs" Blog, 5/25/12)

Sen. Bob Casey (D-PA) Urged Obama To "Pursue The Aggressive Policies" Needed To Protect American Companies And Jobs. "'China's unfair trade practices and economic policies are harming companies and costing jobs in Pennsylvania and across the country,' said Senator Casey. 'I urge President Obama to address these concerns with the Chinese Vice President and pursue the aggressive policies I have advocated to give Pennsylvania workers and manufacturers a chance to compete.'" (Senator Bob Casey, Casey Urges Obama to Get Tough On China Ahead Of Visit From Chinese Vice President," Press Release, 2/14/12)

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