

June 16, 2011

Hon. Joseph R. Biden, Jr., Vice President
United States of America
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Vice President Biden,

Ever since the shellacking last November, the Administration has turned its focus away from stimulating a stalling recovery and has instead embraced the currently popular, yet ill-conceived, mantra of immediate austerity. While the wisdom of that economic policy pivot is dubious, what we in Labor find more disturbing is the juxtaposition of that pivot with the abandonment in December of the President's core campaign pledge to return to the Clinton tax rates for the wealthiest Americans - tax rates that balanced the budget and brought prosperity to America in the 1990's. The stated argument at that time was that even a 4.6% tax increase on marginal income now would jeopardize the recovery because the government needs to continue to inject funds to stimulate the economy. However, that statement is at odds with the recent Administration decision to freeze federal pay raises for two years, an action that clearly took critical funds out of the economy and therefore ultimately killed private-sector jobs. The only difference was that the Bush tax extension for the wealthy put money in the hands of rich people and the pay freeze took money away from middle class Americans. Last December, Labor took that one for the team and tempered its criticism. We cannot be expected to stand idly by this time around.

Today, we are hearing irresponsible calls to link an extension of the debt ceiling with draconian cuts, many again targeting public servants. In particular, some have called for a steep increase in the pension contribution of federal workers, abandoning a carefully crafted deal between President Reagan, Speaker O'Neill, and Senator Majority Leader Dole that already eliminated half of defined benefit pension for federal workers. Not only is this latest talk an unwise betrayal of that bipartisan deal, but it represents a selective payroll tax increase that could exceed 5% of the entire income of federal workers, and would be a violation of the President's campaign pledge not to raise any taxes on those earning less than \$250,000. Make no mistake about it, the proposed increase in federal employee payments is a payroll tax increase as surely as any increase to social security payments would be; the new higher deductions are automatically removed from the paycheck, they are not linked to any increase in pension benefits, and, as Secretary Geithner is now demonstrating, they are co-mingled with general revenue funds. During the current debt ceiling crisis, federal employee pension taxes are being used to pay general U.S. debt obligations. Triangulation is not a leadership strategy. Federal workers have already sacrificed enormously with the two-year pay freeze (which represents up to a \$50,000 cut, not counting interest earnings, for an individual employee over the next decade, indeed perhaps the family's entire college savings).

As the Obama Administration's chief negotiator with respect to coming to an agreement that will lead to an increase in the debt ceiling, please reject the current dishonest scapegoating of federal employees. Civil Servants cannot be blamed for the current economic downturn, which was caused by private sector and financial industry recklessness and greed along with a failure of federal regulatory oversight. Please do not forsake America's hard working public servants who:

- Connected the faint intelligence dots and found Osama Bin Laden;
- Welded the gaping hole in the U.S.S. Cole after it was hit by terrorists;
- Keep our air and water clean and safe;
- Protect you and are prepared everyday to take a bullet for you and other elected officials;
- Diverted the mighty Mississippi and saved Baton Rouge and New Orleans from certain flooding;

- Deliver the mail everyday and get those social security checks out on time while also protecting the taxpayer from fraud;
- Sent Americans to the moon and back, and are now designing the next generation of rockets and planes to keep America one step ahead of China and Europe in Aerospace Research and Technology;
- Keep the air-travelling public safe everyday from terrorism and corporate efforts to cut safety corners;
- Provide quality healthcare to our Iraqi, Afghanistan and other war veterans;
- Risk their lives to train Afghans and Iraqis to become self-sufficient and thus resistant to extremism, and;
- Teach the children of our military every day, among countless other services...

While we fully support shared sacrifice of all Americans for the greater good based on progressive personal taxation rates and fair taxation of corporate profits, Labor will vigorously oppose any further selective benefit cuts or tax increases unfairly targeting federal workers. We will fight any efforts to vilify these fine public servants who have dedicated their lives, and who sometimes give their lives, for their country. Their middle-class patriotism and commitment to public service should be rewarded, certainly not punished. We respectfully ask you and the President to defend them in their time of need and to publicly reject those who express anti-government hatred as a pretext for shifting money from the hard-working middle class that has endured the brunt of this terrible recession, to the wealthy, well-connected, powerful, and greedy investment class that created it.

Sincerely,

American Federation of Government Employees (AFGE)
American Federation of State, County & Municipal Employees (AFSCME)
American Foreign Service Association (AFSA)
Association of Civilian Technicians (ACT)
Federal Education Association/NEA
International Association of Machinists and Aerospace Workers (IAMAW)
International Brotherhood of Electrical Workers (IBEW)
International Federation of Professional and Technical Engineers (IFPTE)
International Organization of Masters, Mates & Pilots (ILA/AFL-CIO)
Metal Trades Department, AFL-CIO
National Association of Government Employees (NAGE)
National Federation of Federal Employees (NFFE)
National Treasury Employees Union (NTEU)
National Weather Service Employees Organization (NWSEO)
Patent Office Professional Association (POPA)
Sheet Metal Workers International Association (SMWIA)
SPORT Air Traffic Controllers Organization (SATCO)