

United States Senate
WASHINGTON, DC 20510-3203

February 5, 2021

Mr. Christian Bruch
Mr. Steven Conner
Siemens Energy, Inc.
Otto-Hahn-Ring 6
81739 Munich, Germany

Dear Mr. Bruch and Mr. Conner:

I write in response to Siemens Energy's (Siemens) recent announcement that you plan to lay-off 1,700 workers nationwide, including 535 in Olean, New York, by 2023. Given Siemens record of callous and short-sighted layoffs across New York, I am gravely concerned that these reductions are likely the result of a long-term plan to once again cut costs and place shareholders' interests above the loyal, dedicated, and hardworking employees, their families, and the communities they call home throughout New York.

I understand that unforeseen changes and market fluctuations arise, as I expressed firsthand during the last round of layoffs. At that time, I asked for three things: transparency, honesty, and a chance to help prevent the future reduction of a dedicated, successful, and largely union workforce. I was given assurances from Siemens that this would be standard practice going forward. Then, Siemens moved forward with this round of job cuts without meaningfully engaging local, state and federal officials for assistance or to devise alternate actions to mitigate or avoid the job loss. Siemens also left the union and its workers in the dark rather than to work with them on a path forward that would protect as many jobs as possible. This represents a complete disregard for the assurances I was made previously by then-CEO Lisa Davis. It represents a failure to uphold any reasonable standard of corporate responsibility. Siemens has not provided adequate notice to me, the community, and worse, its employees.

This week's announcement of a 535 job reduction in Olean, including more than 350 union jobs, is absolutely devastating to Cattaraugus County and sadly, is hardly a new trend in Siemens's treatment of operations in Upstate New York. Since its takeover of Dresser Rand in 2015, Siemens has laid off more than 40,000 of its employees, including nearly 1,200 New Yorkers. Those layoffs have occurred despite Siemens's promises to me to keep their employees and even *expand* their footprint in New York, *and* despite the reported **\$544 million** immediate tax windfall the company received from the passage of the *Tax Cuts and Jobs Act (TCJA)* for what we were told would incentivize job creation. In public remarks regarding the TCJA, Siemens CEO Joe Kaeser praised the tax overhaul saying it would be a "net positive for job creation" and stated that "There is a very, very good chance that a lot of jobs are being created because the companies have more money to spend on innovation and growth". Instead of following through on its promises to invest in its U.S. workforce, Siemens instead launched a massive multi-billion dollar stock buyback program to reward investors at the expense of workers. Since 2018, Siemens has spent over €2.4 billion buying back 28.5 million of its own shares. Siemens Energy, after spinning off from its parent company last September, has also spent another €306 million buying back its own stock. Siemens also seemingly found financial resources to reward Ms. Davis with a severance payment of €2.4 million and other benefits

worth over €1 million; an extraordinary package by any estimate from a company claiming financial difficulties.

Accordingly, I am seeking transparency from Siemens to better understand the company's recent announcement, its impact on the workers, and whether more job cuts in New York are in Siemens future. Please provide answers to the following questions no later than February 26, 2021:

1. Please explain in detail what steps you took but ultimately failed to avoid, prevent, or delay these lay-offs, including an explanation for why the union was not consulted. Please provide the justification provided to employees as part of any notification.
2. Please provide a state-by-state breakdown of the recently announced 1,700 job cuts in the United States and projected job cuts for the remainder of 2021.
3. How many total jobs has Siemens eliminated—both nationally and in New York state—since it acquired Dresser Rand in 2015?
4. How many Siemens jobs will remain in New York State following 2022?
5. It is critical that Siemens honor all labor contracts in full. Will Siemens abide by the current labor agreement through 2023?
6. Please provide a detailed accounting of all local, state and federal tax credits Siemens is the recipient of in the United States. Please also include those relevant to facilities in New York State.
7. Please provide a detailed accounting of tax savings afforded to the company as a result of the passage of the Tax Cuts and Jobs Act as well as the CARES Act.
8. Please provide a detailed accounting of all current federal contracts Siemens holds and the remaining duration of those contracts.
9. Are the employees who are transferring to the Painted Post facility being given adequate relocation compensation?
10. Will Siemens give impacted employees priority consideration in the hiring process for any currently open positions open or future hiring opportunities ones? If so, for how long will affected workers be given hiring preference?
11. Will Siemens commit to suspending its plans to continue buying back its own stock for the duration of the pandemic?
12. Will Siemens offer impacted employees any training they may seek to find new careers? If yes, please explain whether the company will pay for these training opportunities, the types of training that will be offered, duration of trainings, and how an employee can access it for free.
13. Will Siemens Energy and its subsidiary, Siemens Gamesa, prioritize sites like Olean, Painted Post, and other communities across regions impacted by Siemens layoffs in recent years for expansion of your thriving renewable energy business given the reduced capacity facilities and workforce you can take advantage of in those locations.
14. Are any of the services previously performed by the workers whose jobs will eliminated now be performed by independent contractors, subcontracted out to a different company, or sent overseas?

I look forward to your timely response to these questions.

Sincerely,



Charles E. Schumer
United States Senator