



March 20, 2018

VIA USPS FIRST CLASS MAIL
AND EMAIL: EDWARD.GODDARD@KINDRED.COM

Ed Goddard
Senior VP of Labor Relations
Kindred Healthcare
680 South Fourth Street
Louisville, KY 40202

RE: Tax Cuts and Jobs Act

Dear Ed,

Pursuant to our duty to represent our members at both First Hill and Northgate under the Act, WSNA makes the below stated request for information.

As you know, the Tax Cuts and Jobs Act was enacted last year with the promise that the permanent tax cuts for corporations would raise wages and prevent the offshoring of jobs. President Trump promised that the decrease in the statutory corporate tax rate will “give the typical American household a \$4,000 pay raise.”¹ His Council for Economic Advisors reported that this permanent \$4,000 raise is a conservative number and that the raise may be as high as \$9,000.² These numbers were repeated by members of Congress throughout the legislative process on this bill.³ Job promises were also made to pass the bill. Speaker Ryan asserted that the bill “prevents American jobs, headquarters, and research from moving overseas.”⁴

These statements set forth a clear legislative intent for the Tax Cuts and Jobs Act: the corporate tax cut was meant to trickle down to workers’ paychecks and bring jobs back to the United States. This tax money was not meant to enrich executives and shareholders, per the bill’s proponents.

¹ <http://www.breitbart.com/big-government/2017/10/11/donald-trump-tax-reform-likely-gives-typical-american-household-4000-pay-raise/>

² <https://www.whitehouse.gov/the-press-office/2017/10/16/cea-report-corporate-tax-reform-and-wages-%E2%80%93-theory-and-evidence>

³ See, e.g., 163 Cong. Rec. S7873, H8244, S7518-19, S7535, S6990, S6443 (2017); Speaker Ryan Press Office, “New Report: Tax Reform Will Raise Wages by \$4,000 on Average,” (October 16, 2017), available at <https://www.speaker.gov/general/new-report-tax-reform-will-raise-wages-least-4000-average;>

⁴ <https://www.speaker.gov/general/policy-highlights-tax-cuts-and-jobs-act>

We should work together to effectuate these intents. Raising workers' pay and standards of living are central concerns of WSNA and the nurses we represent. We are deeply concerned that these promises will be forgotten unless we bargain for them.

In preparation for such bargaining to ensure the tax cut raises wages, WSNA needs to understand the total benefit from the tax legislation inuring to Kindred, the extent to which that benefit is reserved or not to increase workers' wages and benefits or the extent to which that money has already been diverted or is planned to be diverted to anything other than raising wages or increasing employment for American workers, particularly those within our represented bargaining units. We therefore request the following information, relevant to all of the foregoing:

1. To Understand Where this Tax Money Is and Where It Is Going

- a. Please provide the estimated gains to the corporation and its subsidiaries and affiliates from the Tax Cuts and Jobs Act over each of the next five years.
- b. Please provide the amount of planned capital investment in the United States over each of the next five years, and any documentation showing the extent to which this planned capital investment has changed since passage of the Tax Cuts and Jobs Act. Please provide the same for any planned capital investment outside of the United States.
- c. Please provide the total compensation for executives for the year before and the current year after passage of the Tax Cuts and Jobs Act.
- d. Please provide the amount spent on any stock buybacks and dividends to shareholders since passage of the Tax Cuts and Jobs Act. Please provide the same amount anticipated for the current year after passage of the Tax Cuts and Jobs Act.
- e. Please provide copies of your Fourth Quarter 2017 and First Quarter 2018 reports.
- f. Please provide the amount spent on lobbying or public relations campaigns, including contributions to other entities engaging in such, in support of the Tax Cuts and Jobs Act or its underlying policies in general, since January 1, 2017.

Please contact me if you have any questions about this request or if you are unable to provide this information by or before April 16, 2018.

Sincerely,

Lane Toensmeir

Lane Toensmeir
WSNA Attorney/Chief Negotiator
Washington State Nurses Association

