

Congress of the United States
Washington, DC 20515

November 10, 2008

The Honorable Henry Paulson
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Paulson:

We are writing to urge you in the strongest possible terms to use your authority under the Emergency Economic Stabilization Act (EESA) or other statutes to immediately address a significant and systemic threat to the U.S. economy and provide emergency assistance to the domestic automobile industry.

The U.S. auto industry represents almost four percent of U.S. gross domestic product and represents ten percent of U.S. industrial production by value. One out of every 10 U.S. jobs is auto-related. General Motors, Ford and Chrysler account for roughly 70 percent of U.S. auto production and are estimated to support around five million jobs across all 50 states. According to a report released last week by the Center for Automotive Research, the failure of even one US automaker would mean the loss of millions of jobs and cost our economy hundreds of billions of dollars. Inaction is not an option

These last years have seen the domestic automakers pursue an unprecedented restructuring that has put them in a very competitive position with respect to product quality (Ford has tied Toyota and Honda in quality according to Consumer Reports), fuel efficiency (GM offers 17 models achieving 30 MPG or better – twice the nearest competitor), and advanced technology vehicles (Chrysler has announced the launch of electric vehicles beginning in 2010 and all three companies have extensive hybrid offerings).

In addition, the three domestic automakers spend a combined \$12 billion *annually* on research and development. This R&D capacity is a national asset that would be put at risk if we do not restore the health of our auto industry.

This vital role that the domestic auto industry plays in our economy is broadly recognized. Congressional Leaders in both the House and Senate have met with representatives of the industry and its workers at the most senior level and have expressed to you that “A healthy automobile manufacturing sector is essential to the restoration of financial market stability, the overall health of our economy, and the livelihood of the automobile sector's workforce.”

On Friday, President-elect Obama said, “The auto industry is the backbone of American manufacturing and a critical part of our attempt to reduce our dependence on foreign oil... I have made it a high priority for my transition team to work on additional policy options to help the auto industry adjust, weather the financial crisis, and succeed in producing fuel-efficient cars

here in the United States of America... I've asked my team to explore what we can do under current law and whether additional legislation will be needed for this purpose."

As you know, both General Motors and Ford released 3rd Quarter earnings last week that make clear the severity of the strain the auto industry is experiencing. It is our view that providing emergency assistance to this uniquely important industry, which is struggling to meet the challenge of a severe financial crisis that has spread far beyond Wall Street, is consistent with the authority granted to you by EESA, and indeed well within the broad mandate of the Treasury Department to promote stable economic growth.

Given the urgency of the situation, we ask that you work with us in the coming days to provide immediate loan support to the domestic auto industry, including, if necessary, amending EESA.

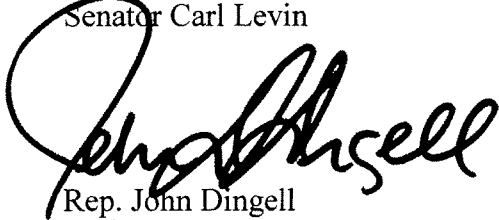
Sincerely,



Senator Carl Levin



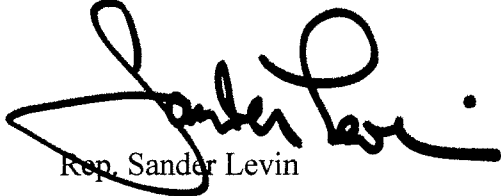
Senator Debbie Stabenow



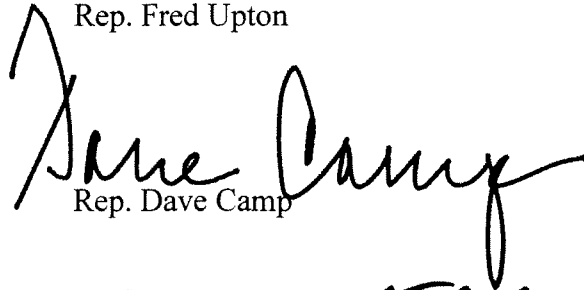
Rep. John Dingell



Rep. Fred Upton



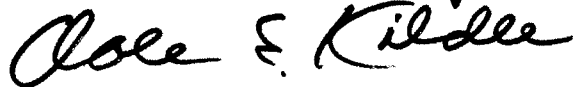
Rep. Sander Levin



Rep. Dave Camp



Rep. John Conyers



Rep. Dale Kildee



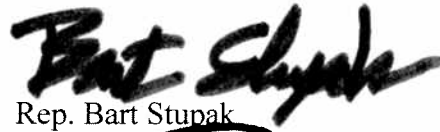
Rep. Vern Ehlers



Rep. Peter Hoekstra



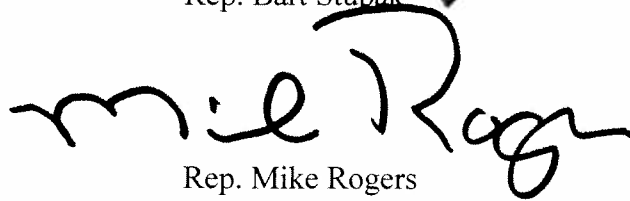
Rep. Joe Knollenberg



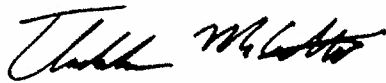
Rep. Bart Stupak



Rep. Carolyn C. Kilpatrick



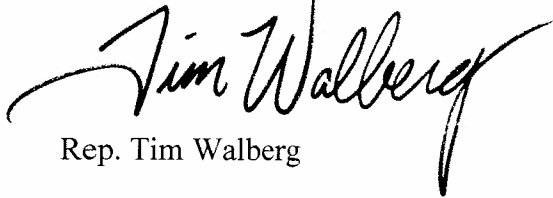
Rep. Mike Rogers



Rep. Thaddeus McCotter



Rep. Candice Miller



Rep. Tim Walberg

CC: The Honorable Nancy Pelosi, Speaker of the House of Representatives
The Honorable Harry Reid, Majority Leader, U.S. Senate
The Honorable Steny Hoyer, Majority Leader, U.S. House of Representatives
The Honorable John Boehner, Minority Leader, U.S. House of Representatives
The Honorable Mitch McConnell, Minority Leader, U.S. Senate