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LATTA STATEMENT ON H.R. 7321

WASHINGTON- Congressman Bob Latta (R-Bowling Green) made the following statement after the House of Representatives considered H.R. 7321, the Auto Industry Financing and Restructuring Act.

“The auto industry is a critical segment of our nation’s economy, especially in Ohio. During the testimony from the “Detroit 3” and the drafting of this legislation, important questions remain unanswered that put the American taxpayer at serious risk.

Similar to the financial bailout, Congress is putting one person in charge of an entire area of our economy. We cannot in good faith give one person management power over the “Detroit 3” if they cannot currently manage themselves. This bill yields vast power in the “car czar” to decide what types of vehicles Americans will drive, how corporate organizations and debt will be restructured, and whether or not the companies are meeting the criteria of the bailout. This bill also fails to address what will happen to the companies should they not be in compliance with the bailout, as Congress will immediately demand repayment. It is clear each company currently does not possess the cash to operate at this time. How will they repay the loan in the near future if they cannot meet the requirements set forth in the bill? In addition, this legislation was nothing more than a short-term bridge loan to the “Detroit 3” with no guarantee they would not return in the near future for additional funding.

House Republican leadership laid out an alternative plan earlier today, mapping out a plan of faster restructuring with harder deadlines for the “Detroit 3” to meet. Additionally, the plan calls for each of the companies’ creditors to drastically reduce their respective indebtedness by at least 1/3. Most importantly, the House Republican plan is financed with government insurance, similar to fee-based programs like the FDIC, which provides much needed protection for this taxpayer investment.

Furthermore, the current proposal was introduced by Democrat leadership today and was fast tracked through normal proceedings, bypassing hearings and extensive debate. Members had less than ten hours to review the bill before voting.

Securing the nation's auto industry is a serious concern that needs review and careful attention. This bill fails to provide accountability on American taxpayers' investments, security to the millions employed by the automotive industry, and does not guarantee any solid restructuring plans for any of the "Detroit 3". Under the bill, the risk behind this investment is too great for the American taxpayer.

Because of the reasons set forth above, I had to cast a no vote. Once again, too much power is vested in one individual with too much discretion on where America's automotive future will be."

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Congressman Robert Latta was elected in a special election in 2007 to serve Ohio's 5th Congressional District. He is a member of the House Committee on Agriculture and the Committee on Transportation and Infrastructure, in addition to serving on the House Energy Action Team (H.E.A.T). Congressman Latta previously served as a member of the Ohio General Assembly and as a Wood County Commissioner.