



## **Michigan Republican Rep. Slams Senate GOP for Blocking Auto Aid**

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A Republican Representative from Michigan is slamming his Senate colleagues for blocking a bill to provide emergency loans to Detroit's "Big Three" automakers.

Representative Thad McCotter told RTTNews in an interview that Thursday's Senate filibuster had weakened taxpayer protections by blocking a House-passed measure to provide the loans in exchange for swift moves to restructure the companies for future viability and the creation of a "car czar" to facilitate the companies' return to profitability.

The alternative, using Treasury funds allocated to shore up the financial sector through the Troubled Assets Relief Program, strips away the additional requirements of the House bill, McCotter said.

Senator Bob Corker, R-Tenn., had sought to add an amendment to the bill requiring a series of concessions by bondholders and unions as a condition for GOP Senators dropping their objections to the House proposal.

But when negotiations on those concessions broke down, auto industry supporters couldn't muster the 60 votes needed to bring up the bill for a vote.

"Within the bill the House passed was a negotiated restructuring process," McCotter said. "What Senator Corker seemed intent upon, and others, was to not have a negotiated restructuring process but to codify in legislation the outcome of that process."

He added, "It is not the role of the U.S. Senate to serve as a bankruptcy court. Their concerns would have been more than sufficiently addressed by the establishment of this process."

And because, as McCotter put it, "bankruptcy is not an option" for the automakers because few customers would be willing to buy vehicles from such an automaker leading to its swift liquidation, now it seems that there's no alternative but to use Treasury funds that carry no restructuring requirements.

"The failure of this bill and utilization of Wall Street TARP funds is absent the legislation of a pre-negotiated restructuring process," he said. "This is what a lot of us wished to avoid, because now the taxpayers are less protected due to the actions of Sen. Corker and others."

McCotter accused Corker of an act of "subrogation, serving as the car czar in a back room off the Senate floor."

Senate Republicans, led by Corker, had said the bill, negotiated between congressional Democrats and the White House, hadn't contained enough protections to be sure that taxpayer money loaned to the automakers would be paid back.

"The one that came from the White House was one that just didn't have support, because in essence there was no real benchmarks in it. There was no way it was going to pass," Corker said in a Friday press conference.

But McCotter dismissed that notion, saying that the "ultimate taxpayer protection, as I've said all along, remains the determination of working people within the auto industry to survive and repay this bridge loan."

"You'd be pretty motivated if your family's livelihood were on the line," he said.

McCotter added that the Ford Motor Company's situation shows that domestic manufacturers can turn themselves around. Ford had earlier asked Congress to make \$9 billion in emergency loans available, but said it did not expect to need the funds unless another automaker went under or there was an unexpectedly sharp downturn in sales.

"The bridge loan simply means we get to survive to continue going through a painful restructuring that we hope leads us to the day that this never has to happen again and the auto industry thrives," he said. "But it's not as if we're celebrating because we know that this is just another step in the long road we have been traveling for some time."