

Rep. Taylor's Statement on Providing Federal Assistance to U.S. Automakers

On December 9, the House voted in favor of a bill to provide up to \$14 billion in "bridge loans" to the automakers. Congressional leaders and the Bush Administration negotiated the agreement. The auto loans are not like the irresponsible \$700 billion bailout of the financial industry, which I voted against. The auto agreement simply provides short-term loans in order to give the companies a few months to reorganize.

Under the House bill, the President would appoint an administrator to bring together the companies, their unions, their creditors, and other interested parties to negotiate long-term restructuring plans to make the companies financially viable. The plans would have to be submitted by March 31, 2009.

The federal government would receive non-voting stock in the companies that received bridge loans. The companies would be prohibited from paying dividends, bonuses, or "golden parachutes" to their highest paid employees.

Although the House passed the bill, the Senate was not able to vote on it. In the Senate, 60 votes are needed to end a filibuster against a bill. Only 53 Senators voted to end the filibuster, so the Senate could not force a final vote on the bill.

I voted in favor of the emergency loan assistance when it passed the House on December 9 because of my grave concerns about the decline in our nation's industrial base. Our long-term economic strength and our national security depend on a strong American manufacturing sector. Throughout my 19 years in Congress, I have opposed our trade policy with China, the North American Free Trade Agreement, and other trade policies that have the effect of closing manufacturing plants in America in exchange for cheaper products from cheaper labor overseas. Because of my concerns about American manufacturing, I believe it is worth the risk to try to save the U.S. automakers.

A great part of the United States' success in World War II was due to our ability to quickly transform and expand our manufacturing strength into production of ships, tanks, bombers, jeeps, and other military needs. As the Chairman of the House Armed Services Committee's Subcommittee on Seapower and Expeditionary Forces, with jurisdiction over most Navy and Marine Corps procurement needs, I have witnessed how our diminished manufacturing base increased the danger to our troops in Iraq.

Early in the War in Iraq, it became very clear that the biggest threat to our soldiers and Marines came from Improvised Explosive Devices or IEDs. First, we worked to add better armor to the Humvees, but the Department of Defense could not find factories capable of rushing production of the armor kits. As a result, it took almost two years to produce the armor needed. By that time, the insurgents in Iraq had improved the lethality of their roadside bombs, and the up-armored Humvees were not able to protect the lives of soldiers and Marines.

My first hearing as chairman of the subcommittee was about the need to rush production of Mine Resistant Ambush Protected vehicles (MRAPs). MRAP vehicles are designed with a V-shape hull that provides much better protection against underbody mines and IEDs.

Early in 2007, Congress provided \$4.1 billion, ten times more than the President's budget request, to acquire 17,000 MRAPS. However, because of the limits of our industrial base, it took almost two years to get production lines going in sufficient capacity to fill the military's needs. We eventually had to contract with five different suppliers, using three different engines and multiple suppliers of other parts and components in order to fill the need.

If our domestic auto manufacturers fail, we lose the ability to transform them into military production if needed, but we also lose their suppliers of many parts and components that also are used in military vehicles. We experienced difficulties with production of Humvee armor and MRAPs even with the domestic automakers helping to ensure a market for parts and components. I cannot imagine how difficult the job would be if we lose most of what remains of the American automobile manufacturing industry.