

Representative Ron Klein  
Financial Services Committee  
Review of Industry Plan to Stabilize the Financial Condition of the  
American Automobile Industry  
December 5, 2008

Mr. Chairman, thank you for holding this hearing. The people of South Florida and citizens all across this country are watching today. They want to know: Are we being responsible with their taxpayer dollars? Will these companies testifying before us be responsible with taxpayer dollars? We must ensure that every penny of taxpayer money is accounted for, and that the auto companies have a coherent, long-term plan not only to survive, but to thrive. It is our job to demand strict oversight to return confidence to the American people and to markets around the world.

Our current financial situation is one of the most serious economic crises that our nation has ever faced. It is the crisis of a generation. We have been told that without federal aid, we would lose nearly two million jobs. That would plunge our economy into a deeper recession and it would take much longer for our economy to recover.

This is not only about the auto companies. This is about every American job that is associated with these companies—the suppliers, the auto dealers, including many in South Florida. We have to consider the implications of the failure of one auto company on the rest of the industry and the rest of America. People's livelihoods depend on us today.

Although I appreciate the efforts of our witnesses, the corporate leaders of the auto industry, in submitting their restructuring plans to Congress, for many people watching today, it is too little too late. It is imperative that we use this as an opportunity to bring the American auto industry into the 21st century. For too many years, American cars have not been competitive. Now, their backs are against the wall and the only way for them to get out of this situation is to shoot for

the moon. The cars they produce must be quality based, fuel efficient and cutting edge. They must set the standard for the world. America must be able to believe in the American car again.

But, we must also learn from the past. The recent Emergency Economic Stabilization Act, which created the Troubled Asset Relief Program (TARP) and is beginning to inject capital into our economy, has a ways to go before we see results in our economy. We do not have the time or luxury to let a new program work out the kinks. In dealing with the auto companies, we must require strict, meticulous oversight and benchmarks of change and achievement before money is handed out. Frankly, we have already committed significant taxpayer funding to assist ailing financial services companies and will not be in a position of allocating federal funds unless we have a coherent plan and oversight measures in place.

Additionally, Congress expects the corporate leaders sitting before us today to take responsibility and make sacrifices. Creating an enhanced management team who understands the challenges and opportunities of what the auto industry is facing today and will face in the future is essential.

My community in South Florida is watching the American Dream slip between the cracks. Many years ago, generations before thought that buying a home and a car would secure their place in America. Now, these Americans are seeing a rise in foreclosures and the threat of the end of the American auto makers. Now is the time for intelligent and well-reasoned action, though it may be difficult and painful to achieve to restore our American Dream.

We can all agree that now is not the time for gridlock or delay, but the time for us to come together to work towards a common solution.

Thank you, Mr. Chairman.