

TALKING POINTS
EMERGENCY ASSISTANCE TO DOMESTIC AUTOMAKERS

1. **The UAW is very pleased that Democratic Congressional leaders have indicated their support for government action to assist the domestic automakers, and said that bankruptcy is not an option because of the devastating consequences to workers and retirees and to the entire economy of our country.**
2. **Democratic Congressional leaders have told the automakers to submit plans to Congress by December 2 demonstrating their viability and accountability. The UAW fully supports this requirement. Once the companies have satisfied this requirement, the Democratic leaders are prepared to bring Congress back after December 8th to consider legislation to provide assistance to the domestic companies.**
3. **The UAW believes that any legislation crafted by Congress to assist the domestic automakers should meet certain basic principles:**
 - A) **It must provide an emergency bridge loan to the companies to ensure that they can continue operations and avoid bankruptcy.**
 - B) **It should impose tough limits on executive compensation, prohibit the companies from paying dividends, and give the government an equity stake in the companies to protect the interests of taxpayers.**
 - C) **It should establish a government Advisory Board that will oversee the operations of the companies to ensure that any taxpayer funds are expended in the United States, and that all expenditures are consistent with the business viability plans and any additional requirements imposed by Congress.**
 - D) **It should require the Obama administration, early in 2009, to develop and submit to Congress a plan for the long term revitalization of the domestic auto industry. This plan should involve all stakeholders, and should include commitments by the automakers to retool facilities in the United States to produce more fuel efficient vehicles, as well as approaches for dealing with retiree health care and pension legacy costs and other issues facing the domestic automakers.**
4. **It is critically important that Congress act this year to approve legislation containing these essential principles. Inaction is simply not an option!**

5. **The consequences of a collapse by the domestic auto companies would be truly devastating:**
- **3 million lost jobs;**
 - **pension and health care benefits cut for 1 million retirees, spouses and dependents;**
 - **thousands of other businesses - dealers, suppliers and others - would be threatened;**
 - **huge pension and health care costs shifted to the federal government;**
 - **negative impact on the entire economy, making the current recession much worse;**
 - **drop in revenues to the federal, state and local governments, forcing cuts in vital social services.**
6. **MESSAGE TO CONGRESS:** Congress must act in December to avoid the terrible consequences that would result from a collapse of the domestic automakers. It must pass legislation providing an emergency bridge loan to enable the domestic auto companies to continue their operations. At the same time, it should include requirements that will protect the taxpayers, and ensure the accountability and long term viability of the domestic auto companies.

AR:lb
opeiu494
L8501