Congress of the United States
Washington, DC 20515

October 23, 2008

The Honorable Henry Paulson
U.S. Department of Treasury
1500 Pennsylvania Ave., NW
Washington DC, 20220

The Honorable Ben Bernanke
Federal Reserve System
20th St. & Constitution Ave., NW
Washington, DC 20551

Dear Secretary Paulson and Chairman Bernanke:

With the enactment of the Emergency Economic Stabilization Act (EESA), Congress provided the Treasury with an array of significant new powers to be used to stabilize financial and capital markets and restore equilibrium to the nation's economy. There is no single segment of America's economy that is more critical to the financial well-being of millions of Americans than the automotive industry. One in ten American jobs is related to auto manufacturing.

U.S. auto makers directly employ about 355,000 American workers and through related industries that are dependent on auto manufacturing and sales, the industry supports about another 4,500,000 workers in the U.S. economy. They are among the nation's largest purchasers of U.S.-manufactured steel, aluminum, iron, copper, plastics, rubber, electronics, and computer chips.

The three U.S. auto manufacturers provide health care to almost two million Americans and pay pension benefits to 775,000 retirees or their survivors. The disappearance of liquidity in credit markets, if not relieved in coming weeks, threatens to cripple these industries and the communities in which they operate.

Every segment of the U.S. automotive industry – automobile manufacturers, dealers that are engaged in sales of autos and light-duty trucks, and auto finance companies that provide financing to dealers and to consumer and commercial purchasers of vehicles – is experiencing devastating effects that have resulted from the worldwide crisis in financial and capital markets and the freeze-up in credit markets.

Historically, more than 94 percent of new vehicles sold to consumers in the U.S. have been purchased with financing. With the seizing up of credit markets, financing is not available for consumers seeking to buy or lease cars, nor is it available for dealers to purchase inventory. These circumstances have dramatically depressed vehicle sales, and declining sales put at risk not only auto manufacturers, but the widespread network of suppliers, vendors, and other peripheral businesses that provide goods and services to them. New vehicle sales in the United States fell 26.6 percent in September, and are expected to fall by 30 percent in October, bringing the industry to an annualized rate of 11 million vehicles, the lowest since 1983.

In this current economic environment it is imperative that the government ensures that liquidity is restored so that the U.S. auto industry is able to function until normalcy is restored to credit markets. We urge you to use your broad regulatory authority including the powers granted to you by EESA to take the necessary steps to promote liquidity in the U.S. auto industry in order to protect this critical sector of the economy.

Sincerely,

Carl Levin

Debbie Stabenow

John D. Dingell

Bart Stupak

John Conyers

Carolyn C. Kilpatrick

Vernon J. Ehlers

Fred Upton

Dale E. Kildee

Pete Hoekstra

Joe Knollenberg

Sander Levin

T. McCotter

Dave Camp

Candice S. Miller

Tim Walberg

Mike Rogers