Mr. VITTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTOMOBILE INDUSTRY CRISIS

Mr. VITTER. Mr. President, I stand to again address the key issue before us that affects so many Americans, American families, and indeed all of us, through our economy: the proposed U.S. auto industry bailout.

Yesterday, I stood here and announced two conclusions I was driven to reach. First, I would have to strongly oppose the bailout package in its present form because I don't think it demands the fundamental restructuring it will take for those companies to survive. Second, because of that very point, I would use every procedural tool available to block, stop, and delay that package from passing into law.

I, again, reached those conclusions. I restate that commitment for one very simple, very compelling reason—because so much is at stake; because we need to get it right; because millions of individual workers and families, and indeed all of us, through our economy, will suffer the consequences of our not taking appropriate action.

Again, let me be clear, I am not trying to block this package in spite of job losses that would occur if these companies went down. I am trying to block this package because of that, in light of that, because this package doesn't demand the fundamental core restructuring that is absolutely necessary for these companies to survive.

This package puts those companies down a road where I believe that is unlikely to ever happen. It would throw a lot of taxpayer dollars at the problem to buy time, but it doesn't change the endgame, in my opinion.

Let me also make clear, having said all that, I am not for doing nothing. I am not for going home and forgetting about this and walking away. This is a serious crisis we must address. I am for doing something, but the right thing, the right way, something that will ensure, demand the fundamental core restructuring it will take for these American companies to survive.

What do I mean by that? I could support a few alternatives. Let me outline two specific alternatives that are being worked on now, that have been developed, that are being discussed by many Members that I could support. First of all, I could certainly support a strong, comprehensive alternative being developed by Senator BOB CORKER of Tennessee and others. That proposal wouldn't throw $14 billion at the company before any outline of a restructuring plan is agreed to. It would say: No, we need to agree and nail down and ensure some of those fundamentals now, before any taxpayer dollars go to those companies.

What are those fundamentals? Senator CORKER outlines four that I agree are at the core of the issue and must be nailed down before any taxpayer dollars should go to those companies.

First, his proposal would require that participating companies reduce their outstanding debt obligations by at least two-thirds by forcing the companies' bondholders to accept an equity swap or debt for debt and equity swap—in other words, for the taxpayer dollars we would be sending to those companies not to boost the take, not to boost the value of bonds for those bondholders, but for the bondholders to contribute something up front to reduce the debt of the companies. That is crucial because right now those companies, particularly GM, are drowning under unbelievable debt, and that alleged loan would be on top of that. So that is crucial.

Second, we would agree up front that the companies would become more competitive by requiring that all-in labor costs and work rules would be immediately on par with other automaking companies such as Nissan, Toyota, and Honda. Obviously, a major source of the uncompetitiveness of the three U.S. automakers is their labor costs. They cannot possibly compete in this global marketplace when their costs are way, way higher, 80 percent higher than competitors such as Toyota, Honda, and Nissan. This aspect of the Corker plan would ensure that is nailed down up front.

Third, the legislation would require that changes in payments to the UAW VEBA accounts occur to help the companies' cash flow, specifically that at least half of any scheduled payments be made in stock. There again, it would reinforce the sense that the workers and the union have a real stake in all of this working and in those companies surviving.

Fourth, any compensation, outside of customary severance pay, that goes now to workers who have been fired or laid off or furloughed would end. Again, a major cost to these U.S. companies, a major source of their uncompetitiveness is they are paying lots of money, tens of millions or billions of dollars for people not to work, for people not to work.

That is a plan I could support. That is not putting the cart before the horse. That is getting things in the right order, nailing down that essential restructuring now before any taxpayer dollars go out the door.

A second alternative I could support would involve a formal bankruptcy process. A lot of folks make the argument that bankruptcy is not an option, that consumers will never buy a car of a company in bankruptcy; they don't know if the warranty will be there or be good 6 months or a year from now. We can fix that problem. We can address that problem with appropriate limited Government assistance and participation in the formal bankruptcy.

Specifically, I would support a plan whereby the Government could play that role in two limited, specific ways: one, backing up the warranty obligations of the companies with the full faith and credit of the U.S. Government so consumers can retain that confidence and, two, providing debtor-in-possession financing if that is necessary. I believe the Government playing that crucial role, or something akin to that, can make a traditional bankruptcy process work.

Again, Mr. President, I stand before you and my colleagues in the Senate—indeed, all the American people—to urge us to adopt one of those alternative paths, to urge us to think outside the tiny constricted box folks have tried to put us into and find a third way, a better way which does exist. There are folks who argue it is this or bust. Quite frankly, that is baseless fear mongering. There is another way. There is a third path and a better way. I have outlined two just in the last few minutes. Let's choose that better path. Let's do the responsible thing. Let's demand the fundamental core restructuring it will take for these companies to survive. And let's demand it and nail it down now, not throw billions of taxpayers' dollars at them simply upon the request that they sit down to begin to think about such restructuring. That is the plan before us. That is unreasonable. That is not an appropriate role for the taxpayers. But these two alternatives I outlined would be far different, would demand and ensure that core fundamental restructuring happens.

Mr. President, I urge all of my colleagues, Democrats and Republicans, to join me in voting no on the important vote tomorrow morning on the present plan and to say yes to real restructuring, fundamental core restructuring that can save a maximum number of these jobs in America.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCONNELL. Mr. President, these are, indeed, turbulent times for the U.S. economy. Over the past several months, Americans have seen giant companies fail, significant job losses, and, after unprecedented problems in the credit markets, the frightening prospect of total disarray within our Nation's mainstream economy.

The crisis in the credit markets came at us quickly. We were told that urgent Government action was needed in order to shore up the broader economy and that failure to act would lead to a complete collapse of consumer credit, the very lifeblood of our Nation's economy. Under ordinary circumstances, I would have opposed such a measure. Government intervention in the marketplace,

frankly, cuts against all my ordinary impulses. But this was not an ordinary event. I and many others believed that extraordinary action was needed to protect millions of ordinary Americans from the colossal and far-reaching mistakes of a few. And action was taken. The systemic breakdown some envisioned has not occurred. So there is reason to believe the medicine has had some effect. But on the whole, the overall economy continues to struggle. Some industries have been hit harder than others, and one of them certainly is the auto industry.

The problems in the auto industry have been long in the making. But last month the situation grew so dire that American automobile makers came to Washington with an urgent appeal for Federal help. Over the past few weeks, lawmakers have taken the time to examine the problems of these companies and the solutions that have been proposed. Now the American taxpayers are being asked to put their money behind a plan that is aimed at helping these companies survive.

Republicans received that plan late yesterday morning, about this time yesterday. We reviewed it closely to see if it meets the criteria I have laid out repeatedly for taxpayer protections and for an effective strategy for securing the long-term viability of these companies. In the end, I concluded that it does not.

In some ways, the proposal that was worked out by the White House and congressional Democrats appears tough. It calls on struggling auto companies and auto workers to make the sort of sacrifices they have not been accustomed to making in the past. It also includes time limits as a way of hastening necessary reforms. But in reality, this proposal is not nearly tough enough. A primary weakness relates to the so-called car czar who has nearly unlimited power to allocate taxpayer dollars but limited ability to force the kinds of tough concessions long-term viability would require. Another problem lies outside the proposal itself, and here I am referring to the type of Government action that is being contemplated.

Somewhat lost in the recent debate over the auto industry is the fundamental difference between it and the financial rescue plan Congress approved in October. While that plan was intended to rescue the entire economy, this one is intended to save a single industry. That plan was intended to help everyone from small business owners to college students, and every lawmaker who voted for it acted in the belief that is exactly what it would do. A failure to appreciate this distinction has caused a number of other industries and even a number of municipalities across the country to prepare their own proposals for Government rescue, as all Americans weather the tough economy. It has also created the impression in some minds that the Federal Government is picking favorites and that favorite businesses get help while others do not. A lot of struggling Americans are asking where their bailout is. They wonder why one business would get support over another. When it comes to the auto industry, many Republicans in Congress have asked these same questions.

There are many principled reasons to oppose this bill. But the simplest one is also the best—a government big enough to give us everything we want is a government big enough to take everything we have. This is as true for individuals as it is for business. It is the primary principle upon which American industry, including the auto industry, was built. Even in turbulent moments such as this—perhaps especially at moments such as this—it is a principle worth defending.

Now, some argue the effects of the auto industry collapse would be too acute and far-reaching for an already struggling economy to bear. This is impossible to know. Even if we grant that these companies would fail without taxpayer help, we would still have to ask ourselves whether the proposal before us achieves the goal everyone claims to embrace; namely, the long-term viability of ailing car companies. In my view, it does not.

I have already enumerated some of the weaknesses in the plan. But in the end, its greatest single flaw is it promises taxpayer money today for reforms that may or may not come tomorrow. We would not be serving the American taxpayer well if we spent their hard-earned money without knowing with certainty that their investment would result in stronger, leaner automobile companies that would not need additional taxpayer help a few months or weeks down the road. We simply cannot ask the American taxpayer to subsidize failure.

Now, all Americans, including myself, are worried about the future of our Nation's automakers. These companies have a venerable place in the story of modern America. They continue to provide hundreds of thousands of jobs across the country, including 50,000 auto-related jobs in my home State of Kentucky. But many Americans are also worried about the prospect of the Government intervening on behalf of some industries and not intervening on behalf of others, especially when there is no guarantee—no guarantee—that the interventions will work. They wonder when the spending stops. If I were to vote in favor of this bill, I would not have a very good answer for them.

The best route for the long-term viability of ailing car companies may be a rocky one. Government help is not the only option. It is not even the best option. Long-term viability is still possible, but it is only possible if these companies are forced to make the tough choices necessary for their survival.

My colleague, Senator CORKER, has proposed an amendment that would go a long way toward improving this bill. In keeping with the principles I have outlined before in these comments this morning, the Corker amendment does not just encourage reform—it doesn't just encourage reform—it requires reform. It does so with crucial specificity. First, participating companies would be required to reduce their outstanding debt by at least two-thirds through an equity swap with bondholders. The Corker amendment also requires that labor cost at participating companies be brought on par with companies such as Nissan, Toyota—which I also have in my State—and Honda, not tomorrow but immediately because it is delusional to think a company which spends $71 per labor hour could compete with a company in the same industry that spends $49 per labor hour.

The Corker amendment would improve the liquidity and cash flow of automakers by requiring that a portion of the payments made to the union accounts consist of company stock. Finally, the Corker amendment would require participating companies to file for chapter 11 reorganization if any of these conditions—if any of these conditions—aren't met by a fixed date.

The Corker amendment forces necessary reforms, holds companies accountable, and assures taxpayers that these companies will not be back for more. If legislative action were necessary, the Corker proposal would make many much needed and dramatic improvements to the underlying bill.

I, similar to all my colleagues, want the U.S. auto industry not only to survive but to thrive. By cutting costs, streamlining production, increasing fuel efficiency, and investing in new technologies and attractive, more competitive designs, American auto companies will once again make cars people all over the world will want to buy. Then, Americans would be able to say, again, with pride that our cars are the best.

In addition, protecting the taxpayer is a goal Republicans have been fighting hard for in this debate, and in my view it is a goal that is well worth our efforts.

I yield the floor.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Mr. President, what is the order?

The PRESIDING OFFICER. We are in morning business, with a 10-minute time limit. There is no unanimous consent request on the order of speakers.

Mrs. BOXER. Mr. President, I ask unanimous consent to speak for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. Mr. President, I have to say we are now here, approaching Christmas, in a deepening recession. On December 1, the National Bureau of Economic Research said that, in fact, the recession had begun in December 2007.

How many jobs have been lost in the last year? Almost 2 million jobs have been lost in the last year. So we are here today on the heels of a loss of 2 million jobs. The unemployment rate stands at 6.7 percent, and it is growing. In my State, it is 8.2 percent. Today, the Labor Department reported that initial applications for jobless benefits rose to 573,000, the highest number in 26 years.

So when I hear someone come to the floor and say: Gee, I didn't get all the language until a couple days ago and this is a problem; you know, sit down and read the language. We cannot afford to say we are not going to do something and act to turn around this recession because somebody didn't have the time to read the bill.

Consumer confidence has plunged to its lowest level since the survey began in 1967. Gross domestic product has dipped, personal spending decreased 3.7 percent in the third quarter, and according to the CBO—the Congressional Budget Office—American workers lost more than $2 trillion over 15 months as the stock market decline devastated retirement accounts. Let me say that again. American workers lost more than $2 trillion over 15 months as the stock market decline devastated retirement savings accounts. So we are dealing with a crisis.

Compared to a year ago, U.S. foreclosure filings increased 71 percent in the third quarter. The Institute for Supply Management Index, which is a key gauge of U.S. manufacturing activity, fell to a 26-year low in November. Manufacturing activity fell to a 26-year low in November. Home prices, tracked by S&P's 20-city housing index, dropped 17.4 percent in September. That is a record—the fastest decline on record. Do you hear what I am saying? The job losses, the jobless claims, the foreclosures, the stock market, everything is going in the wrong direction. For people who don't know what the fundamentals of the economy mean, that is the fundamentals of the economy. That is the fundamentals—unemployment, housing prices, stock market, retirement incomes.

Construction spending fell by 1.2 percent in October, much more than what was expected—another fundamental of the economy. Construction of single-family homes plunged 4.6 percent from September. Sales at the wholesale level plunged by 4.1 percent in October. That is nationwide.

My State of California trails only Michigan in the total number of auto-related jobs. In fact, there are nearly 200,000 Californians employed by auto dealers, manufacturers, and wholesalers whose livelihoods are at stake.

At the Vehicle Accessory Center in Rancho Cucamonga, CA, 50 workers manufacture auto parts for GM cars.

The general manager, Russell Hoyt, writes that without a bridge loan to the Big Three, ''we run the risk of losing all of the gains we've made over the years to make our company more competitive and to build new technologies and cars that will benefit consumers and improve our nation's energy security.''

Gina Underwood, the controller of a Saturn dealership that employs 48 people in Ontario, CA, wrote to me about the impact the credit market is having on her business.

She says ''the potential trickle down into my community borders on catastrophic.'' She adds that ''helping our industry in the short-term will have a much lower cost than addressing the effects of a failed industry in the midst of an economic turnaround.''

The Los Angeles Federation of Labor says the decline in the auto industry is ''responsible for nearly 11 percent of California's job loss in the past year. It has also robbed millions of dollars from state and local treasuries that are responsible for funding some of our most crucial public services.''

The California chapter of the United Auto Workers writes that ''these loans will enable domestic auto companies to continue operations and will avoid putting thousands of people out of work.''

Mr. President, I ask unanimous consent to have printed in the RECORD the California recession figures.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CALIFORNIA RECESSION FIGURES

In California, the unemployment rate is at 8.2 percent—the highest in 14 years.

California has lost 101,000 jobs over the past year and 487,000 more people were looking for work in October than were doing so a year ago.

1.5 million Californians are out of work.

The University of the Pacific Business Forecasting Center has predicted that the state's unemployment rate will peak at 9.6 percent the end of next year and won't dip below 9 percent until 2011.

Through the first three quarters of 2008, more than 189,000 California homes were lost to foreclosure.

The number of California homes in foreclosure totaled 79,511 in the third quarter—more than triple last year's number.

In cities like Los Angeles, San Francisco, and San Diego, housing prices have declined more than 25 percent.

In October 51 percent of homes sold in Southern California were in foreclosures, compared to 16 percent the year before.

A recent report stated that over 27 percent of California homeowners are already ''underwater,'' or have negative equity in their home.

The Joint Economic Committee estimates that California state-wide home prices will fall 17 percent between 2007 and 2009, resulting in a net loss of over 1 trillion in housing wealth.

The state budget shortfall for next year could reach $28 billion.

Mrs. BOXER. Suffice it to say that 1.5 million Californians are out of work, and in the third quarter we had 79,000 foreclosures, more than triple last year's numbers. We have a State budget crisis, some of it emanating from this downturn, and we have to step up to the plate and do our part. Whether we live in a city, whether we live in a county, whether we work for the people as a member of a city council, whether we work as a county supervisor, whether we work as a mayor or a House Member or a Senator, all of us who work for the people have to step up to the plate.

I did something interesting, and it might be of interest to you. I worked with my staff. We have 58 counties in California and we got on the phone and we talked to the leaders of each of those counties and the 10 major cities in our State. We do have 38 million people in our State. They told us what is happening on the ground there, and it is not a pretty picture. Now, some of them are doing better than others. A lot of them are facing unemployment rates in their cities of 13 percent, 12 percent, and 9 percent. In the inland empire area, which is just east of Los Angeles, we have the highest unemployment rate in the Nation, about 9.1 percent.

So the point of my setting the stage for my remarks by giving a broad look at what is happening is to make sure people understand we are not taking up this auto rescue plan in normal times. If it was normal times, that would be one thing. I wouldn't be that sympathetic to the big three in normal times. I have had my arguments with them since the 1980s. I think their fighting California and the 19 other States that want better fuel economy is a huge mistake on their part, and I don't want to reward them for that. But I have to tell you, when you look at the times we are in, you recognize we need to bridge these troubled times right now, bridge these troubled times with a loan so we can take a look at this when we have a new President, a new Congress, and, frankly, when we begin to see a light at the end of this tunnel, which I believe is going to come when our new President comes to us in January and we start to put together a plan for economic recovery.

How tragic would it be if we lost this manufacturing base at this point in this recession, just as I do believe we are going to pull ourselves out of this mess we are in. We need a bridge to better times for the auto industry. By the way, other countries around the globe are doing the same for their auto industries. Because there are two things happening here. Detroit got in trouble because, in my view, they built those big cars, they didn't diversify their fleet, and they fought us on fuel economy. Believe me, I was in that fight against them every step of the way. They won that fight. But now they are losing at the end of the day because they made a mistake in fighting us.

But we don't want to lose this manufacturing base at this time. We would be the only industrialized nation in the world not to have a domestic auto industry.

When I hear my colleagues say I don't like this little sentence here or that sentence there, I understand that. Believe me, there are a lot of things in

these bills I do not like at all. But we have to step back and say, in these troubled times, unparalleled since the Great Depression, do we want to leave here and risk the chance that we could wake up without a manufacturing base in our great Nation? I say the answer is no.

I have three reasons for voting for this rescue package: Jobs, jobs and jobs. When we were hit with foreclosures, the first round of them, they had to do with predatory lending. They had to do with some things that were outrageous—people put in these subprime loans who could have been in prime loans. They woke up one day when they were paying $400 a month and suddenly it is $1,000 a month. They couldn't do it. We hope those loans could be restructured. That is one set of difficult circumstances for going into foreclosures. The far worse set of circumstances is when you lose your job and your family cannot make it. That is the thing I wish to avoid.

My focus is on this economy and making sure we are doing everything to save, preserve, and create jobs. With each passing day, we realize what a crisis we are in. Again, today we found out more people filed for unemployment compensation, a bigger number than we have seen in 26 years. When I heard we lost 533,000 jobs last month, it sent shivers up and down my spine. If we don't act, we risk seeing another 2 to 3 million jobs that could be at risk. We know even the collapse of one of the big three could cause that.

In my home State, we have 200,000 auto-related jobs, second only to Michigan.

At the Vehicle Accessory Center at Rancho Cucamonga, our general manager there writes that without a bridge loan to the big three:

> We run the risk of losing all the gains we've made over the years to make our company more competitive and to build new technologies and cars that will benefit consumers and improve our nation's energy security.

Gina Underwood, a controller at Saturn of Ontario, employing 48 people in Ontario, CA, wrote to me about the impact of the credit crisis. She says:

> The potential trickle down into my community borders on catastrophic.

She adds:

> Helping our industry in the short-term will have a much lower cost than addressing the effects of a failed industry in the midst of an economic turnaround.

The Los Angeles County Federation of Labor says the decline in the auto industry:

> . . . is responsible for nearly 11 percent of California's job loss in the past year.

The California chapter of the United Auto Workers writes:

> These loans will enable domestic auto companies to continue operations and will avoid putting thousands of people out of work.

I ask unanimous consent to have these letters printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

VEHICLE ACCESSORY CENTER,
Rancho Cucamonga, CA, November 12, 2008.

Senator BARBARA BOXER.

DEAR SENATOR BOXER: I own a company that exclusively provides goods and services to General Motors Dealerships in Southern California. I am writing to urge you to support GM and America's domestic auto industry. Our company employs up to 50 people and there are millions more Americans among suppliers, dealers, retirees and communities that depend on our industry for their livelihood and well-being.

All of us need your support now. We cannot sustain our industry because of the worst financial crisis to hit our country in over half a century. We run the risk of losing all of the gains we've made over the years to make our company more competitive and to build new technologies and cars that will benefit consumers and improve our nation's energy security.

Our industry is the real economy that runs through Main Street. I call on you and your Congressional colleagues to help preserve jobs and help the domestic auto industry weather this financial storm. With your support, I know my company will emerge stronger and more competitive. And, that means a stronger economy and a more competitive America.

I have attached an industry fact sheet that really demonstrates the critical nature of this industry to our economy. I look forward to seeing you take an active role in passing legislation to support this critical economic need.

Sincerely,

RUSSELL R. HOYT,
General Manager/Partner.

SATURN OF ONTARIO,
Ontario, CA, December 2, 2008.

Hon. BARBARA BOXER,
Washington, DC.

DEAR SENATOR BOXER: My name is Gina M Underwood and I am the Controller at Saturn of Ontario. My dealership employs 48 with an annual payroll of $1,986,059. Our business also supports dozens of local suppliers that are intertwined in our community providing multiple more jobs. I am writing because I fear much of this will be lost and the impact to my community severe if the domestic auto industry is allowed to fail under the weight of the current economic chaos. I believe I have good reason to request your support.

The negative effects of the global credit crisis have caused a huge downturn in consumer confidence that I see play out on my car lot every day. I have seen my sales plummet to levels not seen since World War II. The manufacturers who supply me can't get credit to complete their restructurings and put advanced technologies into production, my customers can't get credit to buy the new cars off my lot and I can't get credit to finance my monthly inventory. The potential trickle down into my community borders on catastrophic.

Hundreds of jobs in my community will be lost.

Multiple suppliers will go under.

On a broader scale, billions of dollars already invested in asserting U.S. technological leadership for advanced propulsion systems—in batteries, fuel cells, hybrids and biofuels—will be lost.

Our manufacturing ability, critical for our national security is threatened which only exacerbates our dependence on foreign oil.

The critics say that the industry has not done enough to save itself. They could not be more wrong. The auto manufacturers have been investing $10 billion in plants and equipment each year. The quality gap has been all but erased between U.S.-based and foreign manufacturers. And new labor agreements that will put the domestic industry in line with our foreign competitors will take effect in 2010.

I cannot urge you strongly enough to take action on behalf of my community and my industry. Helping our industry in the short-term will have a much lower cost than addressing the effects of a failed industry in the midst of an economic turnaround. Sadly, I fear the price of inaction is greater than my business can bear. Thank you for your time to hear my concerns.

Sincerely,

GINA UNDERWOOD.

LOS ANGELES COUNTY
FEDERATION OF LABOR, AFL–CIO,
Los Angeles, CA, December 5, 2008.

Senator BARBARA BOXER,
Los Angeles, CA.

Hon. BARBARA BOXER: I write to you out of concern for the millions of autoworkers who will lose their good jobs if federal emergency aid isn't passed for automakers and because the industry's downfall is responsible for nearly 11 percent of California's job loss in the past year. It has also robbed tens of millions of dollars from state and local treasuries that are responsible for funding some of our most crucial public services.

While we in Los Angeles are fortunate not to be home to an industry that is on a verge of collapse, we are the nation's capitol of the working poor. In my many years leading the union representing hotel workers, I have come to witness how low-wage workers struggle just to get by. They struggle to feed their children, pay their bills and rent. When their children fall ill they rely on home remedies instead of taking them to the doctor because they simply can't afford it.

My concern for workers if the emergency assistance fails to pass is not whether they will find another job elsewhere, but what will become of them in that next job. I worry that it will force them into our nation's ranks of the working poor. In my 30 years in the labor movement I've come to learn that poverty in our communities doesn't stem from a lack of jobs. It stems from a lack of good jobs that provide middle class wages and benefits—jobs that provide the pathway to reach the American dream.

As leaders, you as a public servant and I as a labor leader, have a moral responsibility to fight for good jobs that allow men and women to raise their families with pride, dignity and with the piece of mind that a secure retirement brings. We must do everything possible to ensure that the industry that was once the backbone of our middle class rises to those heights once again, So I urge you today to vote for government aid to automakers.

In solidarity,

MARIA ELENA DURAZO,
Executive Secretary-Treasurer.

UAW REGION 5,
Fremont, CA, December 1, 2008.

Re Bridge Loan for the Big Three.

Hon. BARBARA BOXER,
San Francisco, CA.

DEAR SENATOR BOXER: On behalf of the UAW postdoctoral research members who reside in San Francisco, we would greatly appreciate it if you would take some time away from your busy schedule to meet with us before December 8, 2008, here in the City.

The purpose of our meeting is to help you understand the serious issues that the UAW is facing concerning the Big Three auto loans. These loans will enable domestic auto companies to continue operations and will avoid putting thousands of people out of work. We also need to remember that suppliers who make certain parts for auto companies will be affected by this as well. Let's

not forget that the auto industry has been woven into the fabric of the United States of America, and without it, we will fail.

This is an extremely important issue to all of us. Please would you contact my secretary, Veronica Morgan, at (510) 656–9901, and let her know the date and time you will be available. You can also contact me on my cell, (510) 299–7399.

Sincerely,

PAT CACCAMO,
UAW CAP Representative, Region 5.

Mrs. BOXER. Mr. President, the unemployment rate in my State, again, is 8.2 percent in California; 8.2 percent. It is rising. Losing another 200,000 jobs at this time is catastrophic. If we leave and we risk that, then it is our fault. The people who vote this way will have to answer to their own consciences. Failure to act is not an option.

Here's the thing, there is a huge cost of inaction. I understand my colleagues are very concerned about the cost to taxpayers. I share that concern. I never heard them talk about that when their States were giving all kinds of incentives to foreign car companies to come in. I will get to that later. But here is what happens in addition to the massive job losses if the big three fail. The burden on taxpayers to pick up the pieces would be much more costly than these loans. Losing GM, Ford or Chrysler would add billions of dollars in costs to the already depleted Pension Benefit Guaranty Corporation. Taxpayers would have to provide health care, unemployment benefits, and other related services. Unfunded health care liabilities would be forced into Medicare and Medicaid with costs reaching $50 billion. If the automakers file for bankruptcy, it could lead to a $108 billion loss to the Treasury because of reduced individual income.

My colleagues say let them go bankrupt, as if it is a magic solution. It is not a magic solution because the polls tell us 80 percent of the people will not buy a car from a bankrupt automaker because of obvious reasons. If you want to keep your car 3, 4, 5 years—I keep mine 9 or 10 years—you want to make sure you have the parts available to fix your car. You want to make sure you have someone who understands the car and can service the car.

This is not similar to a dress company going out of business and declaring bankruptcy. That is sad and it is tough but, you know, you are not going to worry about it. If you have a dress by someone and the company goes out of business, you are not going to be dealing with that manufacturer. You are if you buy a car. By providing $14 billion in loan authority now with requirements that the money be paid back, we are taking steps to protect taxpayers from at least $150 billion in future liabilities, should the auto companies shut down.

Then there are people who say isn't this the first of what could be many interventions? I can't predict that. I am just saying at this time, now, with what we know about the state of this economy, with what we know about the state of the lost equity in the market, with what we know about the state of housing, of construction, of the number of people filing—this the Christmas season. My goodness, let's take a chance on this. Let's take a chance on this.

The administration gave $150 billion to an insurance company. I never heard anybody at that time say: Well, the workers in that insurance company make too much money. That is the problem. You never heard a word about that from my Republican friends. Blaming the workers for this is outrageous. They have given back and they have given back and they have given back.

What would happen to the thousands of other associated businesses that rely on GM, Ford, and Chrysler if they went belly up? The big three share 80 percent of the supplier base in this country. If one of the companies goes bankrupt, these small- and medium-size businesses could lose significant revenue and be forced to make layoffs or close their doors.

I wish to talk about other countries taking significant steps to support their domestic auto manufacturing base. Countries throughout Europe and Asia are providing assistance to their auto manufacturers during this time of crisis. You take all the auto companies now—take Toyota. Their sales are way down. Everybody is hit by this recession. The question is, Do we abandon this manufacturing base? Credit markets are still frozen. For that, I have to say, and let me be clear—I don't understand what Mr. Paulson has done since we gave him that authority for $350 billion. Why are the credit markets still as frozen as they are?

The answer comes back: It could have been worse. I believe that. It could have been worse. But we need to do a better job there. Let me be clear, I am not voting—if I have to vote today, tomorrow, next week—to release the next $350 billion to this administration. So let me put that on the line.

Other countries are recognizing that, with the credit markets frozen, they need to maintain their strong manufacturing base. We are the greatest country in the world. How could we ever continue our leadership if we lose that manufacturing base? I know Senator STABENOW has been quite eloquent on the point, about how integrated the manufacturing base is with our military and national defense infrastructure. The big three automakers are the biggest customers for many of the major suppliers of parts and technology for the armed services. From onboard computer devices to tires to engine machinery, these suppliers often rely on the big three to sustain their businesses.

I say to my colleagues on the other side who are taking the lead against this: Think about it. We all stand for a strong defense. If you lose this manufacturing base, whom are you going to rely on if we have more national emergencies, international emergencies? We know we cannot afford to lose this base.

I mentioned before that some of my colleagues on the other side—the Senator from Alabama, the Senator from Tennessee—they have been very outspoken against helping the auto companies. Where were they when Alabama provided $258 million in taxpayer-funded incentives to the foreign automaker Mercedes-Benz to build an auto manufacturing plant in the State of Alabama? I never heard them speak up. Do they only speak out against American workers who work for American companies here? They support the foreign companies, not the American companies.

Tennessee offered at least $200 million in incentives to Toyota to build an assembly plant in Chattanooga. Instead, they landed in Mississippi. Mississippi provided Toyota $296 million in taxpayer-funded initiatives. Why don't I hear my colleagues from Tennessee or Mississippi out here saying: Oh, that was a mistake. Taxpayers should not have been on the hook.

Something is wrong. Is this about not helping these workers because they are tough and they joined a union? Is that it? What is this? It doesn't smell right. You can't support giving money to lure foreign manufacturers into your State, foreign auto companies into your State, and then suddenly turn on folks who are trying to save the domestic automobile industry.

It is not that I am against what those States did. I am just talking about being consistent. If you didn't oppose giving money to foreign car companies, why do you oppose giving a bridge loan to our own domestic manufacturing base at a time of great economic peril?

We will live to fight another day on this, that is for sure. As I said, if this were a different time, if this were a different place, if the economy were thriving and one of those companies had problems due to their own ineptitude, I would not be here now. This is a worldwide recession. Other countries are moving forward. I hope the American people understand this.

If we are to add 2 to 3 million more unemployed people onto the list, we are going to be in a downward spiral. It is going to be very hard for us to recover in the near term.

Again, the big three have made a lot of mistakes. I met with them in the 1980s. I will never forget it. I was over in the House and I was on a committee that was dealing with fuel economy. I said: Why don't you make more of these fuel-efficient cars? At that time, I said: My kids are in college. I see their friends are all buying these smaller cars. They want to buy American, but they cannot. They cannot afford the gas. That was after we had this crisis in the 1970s.

They said: You don't know what you are talking about. Those small cars, you don't make enough money on

them, they are no good. People want big cars. That is good. We make more money. They said to me: We are giving up those small cars to other companies, to foreign companies.

I believed that was wrong. I said you need to have diversity.

They decided to go their way.

I don't have a great deal of sympathy for the management over there responsible for this. They didn't take the lead in research and development of advanced technology vehicles. They put too many of their resources into gas guzzlers.

Mr. President, I ask unanimous consent for another 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. They ignored signs that their future success would depend on an ability to adapt to a changing business climate with innovation and new technologies. When I learned of the financial problems facing GM, Ford, and Chrysler, I viewed a possible rescue plan as an opportunity to help Detroit embrace new technologies that could lead them toward a strong and prosperous future. I still think, because of the White House's objection, the bill before us is making a big mistake because I wanted to make sure we could say in this bridge loan the funds could not be used to pursue litigation related to the California waiver.

Well, the administration will not go for that. We know where they stand on energy independence, we know where they stand on fighting global warming, on clean cars. They stand nowhere—or I should say they stand somewhere in a bad place. If the big three would embrace the California waiver, understanding that 19 other States are with us, and produce cars to meet the goals, the very clean-air goals we have there, I think we would be a leader in the world. I see that in our future. I really do.

I know in your State, Mr. President, we are seeing a whole new range of manufacturing dealing with solar panels. It is very exciting. This is the future. This is the future. Our big three should be leading the way. I hope they got the message in this last runup of gas prices. I hope they get the message that there is global warming and that we are going to have to deal with it if our planet is to survive.

I am confident that President-elect Obama is going to approve the waiver. I am confident that when he does that, it is going to be a big help to the big three because they will really buckle down.

By the way, we are going to reimburse this technology fund, they are going to move ahead and they are going to meet the requirements with the cleanest cars possible, and it will be a new day. Now, if all three of them do it and two of them survive in the future, that may be the way. We do not know. But what we do know is that today, this day, December 11, so close to Christmas, we do know that to walk away without helping this important industry could lead—could lead—to a far deeper recession and even toward a depression.

With this auto retooling program from which these funds are being borrowed, this will be replenished. Speaker PELOSI has indicated to me personally that they will be replenished. I call on my colleagues in the Senate to support quick replenishment of the program, which is essential to the effort of repositioning the U.S. at the forefront of new transportation and advanced battery technologies.

You know, we have startup companies in my State—very exciting. One of them is called Tesla Motors and the other is Fisker Automotive. That is two of them. They are leading the effort to develop advanced technology batteries, zero-emission cars, and high-performance plug-in hybrid electric vehicles. I have driven some of these cars. They are extraordinary. These companies and others, including the big three, are processing section 136 loan applications to retool manufacturing plants and speed up the development of technology that will put the United States right out in front, leading the way to clean cars and clean technology.

I wish to point out that no bill is perfect. I could write a bill that would be far better for me. Every Senator could. But there is significant taxpayer oversight in this bill, as well as benchmarks that the big three must meet in order to continue to receive Government assistance.

By January 1, the car czar will develop benchmarks to determine how to assess each company's progress in turning its plans submitted to Congress into long-term restructuring plans. The benchmarks will focus on how the big three will restructure their businesses for long-term viability, increased fuel efficiency, advanced technology, managing debt, capitalization, and future cost requirements.

So to my colleagues on the other side of the aisle who say: Let them go bankrupt, it is better, they will restructure, we are going to make sure they restructure without declaring bankruptcy and without unloading all of the cost of that bankruptcy onto the backs of taxpayers. If any of the big three fail to submit long-term restructuring plans by March 31, 2009, the car czar has the authority to call the loan or cancel the loan commitment within 30 days, requiring the loan to be paid back at an accelerated rate.

Taxpayers will recover the cost of these loans over 7 years at a rate of 5 percent for the first 5 and 9 percent thereafter. The car czar will have access to all financial records of the big three and will have the ability to prohibit asset sales or possible investments over $100 million, which will protect U.S. jobs being outsourced. The Government will have senior debt status for repayment of the loans, meaning we are in the front of the line to recover loan payments regardless of the companies' success. Stock warrants will ensure the taxpayers benefit from any future growth these companies may experience. The bill prohibits golden parachutes, puts limits on executive compensation and bonus compensation to top employees, and it requires the companies to divest from any private jet investments. The payment of dividends to shareholders will be prohibited during the loan period. In other words, there is every incentive for these companies to turn their companies around. They want to pay dividends to shareholders, they want to get bonuses, they want to get back to business as usual. But we say: Before you do, you have to pay us back. They have a lot of reasons to make this turnaround.

The loan program will be subject to strict auditing by the Comptroller General and the GAO. The car czar will be tasked with facilitating agreements between unions, retirees, debtholders, creditors, suppliers, auto dealers, and shareholders to reduce costs and ensure long-term viability.

Again, I say to my colleagues who are saying let them go bankrupt, take a look at this bill. You are saying let them go bankrupt because they will have to restructure. We say restructure without the bankruptcy because if, in fact, there is a bankruptcy declared, 80 percent of the American people say they will not buy a car from a company that has gone bankrupt. I understood that. So this avoids the bankruptcy and allows them to restructure. If we fail to do this, we are playing Russian roulette with this recession. In times of crisis, you have to see opportunities.

I believe, as a major critic of the car companies since the 1980s when I was here in the House of Representatives, they have finally gotten the message. It has taken them too long. They have been too arrogant. They have not seen the world changing. They have not noticed global warming. They have been blinded to so many things that were happening around them. They were hostile to California and the 19 other States that want to clean up our environment and get better fuel mileage, have clean cars. Instead of embracing those States and working with those States—by the way, those 19 States and California represent a majority of the American people. A majority of the American people want clean cars.

Now, it may have taken this horrific turn of events to get the message through, but clearly the message must be getting through. Jeffrey Sachs wrote recently in the Washington Post:

> American-made fuel-cell cars may be a large-scale reality within a decade. Success would dramatically improve energy and national security and U.S. global competitiveness.

Now, this is the opportunity. But guess what. If we do not act, if we do not act and this recession keeps deepening, we will not have this chance. We will be the only industrialized democracy without a domestic auto company

and without that manufacturing base. So we have to do what is necessary to push Detroit toward a stronger, more efficient future. It may be that at some point in the future, that industry will have a different look to it. Maybe it will have a different look to it. We do not know that. But what we do know now is that what has hit Detroit is far more than making the wrong choices about what cars they produce. I think they made those wrong choices, but it is far bigger than that because every company in America and outside of America that is making cars is suffering today because of the terrible recession we are in, because of a lack of consumer confidence, because of a loss of equity in the stock market, because of home foreclosures, because of all of these things.

So I say you never know what could happen in the future. I am not able to predict it because I cannot. But I know what I have to do now. I have to think about those three things: jobs, jobs, and jobs. When I think about that, and I recognize that just today we had more filings for unemployment insurance than we have had in 26 years, I say for us to walk away from this without this scaled-down bridge loan would be playing Russian roulette with this recession. I love my country too much to do that. With all of the problems I have with Detroit, I will support helping them in this fashion.

EXTENSION OF MORNING BUSINESS

Mrs. BOXER. Madam President, I ask unanimous consent that the period for morning business be extended until 2 p.m., with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER (Mrs. MCCASKILL). Without objection, it is so ordered.

Mrs. BOXER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BARRASSO. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BARRASSO. Madam President, I also ask unanimous consent that Senator NELSON of Florida be allowed to speak after me.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARRASSO. Thank you very much, Madam President.

CLEANUP OF NUCLEAR MISSILE SITE IN CHEYENNE, WYOMING

Mr. BARRASSO. Madam President, I stand here today holding a 500-page report, a report that was sent to my office yesterday by the Army Corps of Engineers. I will not read the whole report, I am happy to say, but I want to call attention to the Senate and to the country, as well as to the people of Wyoming, what is contained within this report.

This report, at a cost of who knows how many taxpayer dollars, says something I have known and the people of Wyoming have known to be true. It says the Army Corps of Engineers is responsible for the contamination of the water wells of the city of Cheyenne. Now, let me clarify. The report does not actually say the words ''we are responsible.'' Washington could never admit its faults so directly. No. Instead, the report states that other potential sources of contamination, other potential sources of this trichloroethylene—the contaminant, the chemical that is in our city's wells—it says that other potential sources ''may be limited.'' I guess that is Washington's way of saying: It was us.

The Wyoming Department of Environmental Quality and the city of Cheyenne found evidence of trichloroethylene in the water supply in 1998—10 years ago. The culprit is a dormant Cold War-era nuclear missile area. It is a missile site and has been there for a long time. The Army Corps of Engineers admits that over 1,800 gallons of this contaminant, TCE, was dumped at the Atlas 4 nuclear missile site each year—each year—of the operation of the missile site, beginning in the mid-1960s.

Well, the discharge of TCE the Army Corps admits to is a mere 1 mile—1 mile—from the water wells of the city of Cheyenne. The Wyoming Department of Environmental Quality has claimed there is one giant plume of TCE emanating from the former nuclear missile site, working its way into and then contaminating the city's water wells. The missile site is currently being cleaned up under the Superfund laws by the Army Corps of Engineers. Unfortunately, the Army Corps only admits culpability for TCE contamination directly emanating from the nuclear missile site. They allege that there is actually a gap between the plume they admit to at the nuclear missile site and the one around the city's water wells—1 mile apart.

Now, you might think it odd that the Department of Defense, given the volume of this chemical that has been dumped year after year in rural Wyoming, would not admit that it was the responsible party for contaminating the city's wells. That would just make sense. They would say: Yes, we dumped it here. It is right here, a mile away in the wells. It is our fault. No. It would just make sense to us that they would admit it. But, in fact, the Army Corps over the last few years has looked to blame almost anyone else, has looked to blame others than to say they are responsible for contaminating the city's wells. Well, such claims have included that there might have been a train derailment and the train might have been carrying TCE into the area. They said it might have been from a nearby oil rig, it might have been from a local shooting range. The Army Corps said: Anybody but us.

I became involved in this issue after I felt the city of Cheyenne and the Wyoming Department of Environmental Quality were being ignored by Washington. As ranking member of the Superfund and Environmental Health Subcommittee, I pushed for testing of the ground in that 1-mile area between the nuclear missile site and the water wells of the city of Cheyenne. The Army Corps finally agreed to do the testing and said it would also look into the historical use of this chemical in the Cheyenne area to make sure there was not another responsible party for the contamination.

The final results—all 500 pages—were finally released this week. To no one's surprise who lives in Wyoming, to no one's surprise who is familiar with this issue, to no one's surprise but the Army Corps of Engineers, the contaminating chemical, TCE, was found in the ground between the nuclear missile site and the city's water wells, right where we said it would be. The report also revealed they found no other public records of TCE use in the Cheyenne area for any other reason. It just makes sense to us, and the cause is clear. Given these findings, it is time for the Army Corps to provide the funding the city needs to manage and to complete the current cleanup efforts.

Now, let me be clear. The city of Cheyenne's water is safe. Untold thousands of taxpayer dollars have gone to keep TCE out of the water supply. The city of Cheyenne and the State of Wyoming have implemented the effective procedures to protect the folks in Cheyenne. Those efforts have been completely successful. But the Army Corps of Engineers and the U.S. Government have the responsibility to fund the cleanup. They have responsibility to fix the problem, and this report says it is so. It is time to do so.

Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from Florida.

TRIBUTE TO SENATORS

JOHN WARNER

Mr. NELSON of Florida. Madam President, I wish to take this opportunity to pay tribute to a true patriot and a dear friend, Senator JOHN WARNER of Virginia.

It has been an extraordinary experience for me to serve with Senator WARNER on the Armed Services Committee and the Intelligence Committee.

In the capacity of his service on the Armed Services Committee, which has been upwards of three decades, serving as its chairman, the insight and guidance he has provided has been invaluable. Over and over, you will hear the