

# THE AUTO BAILOUT: WHO IS IN FAVOR OF WHAT

In this post, I described the three different proposed funds for the auto industry. Now, I'd like to lay out which politicians are advocating what. I'll update this as we go forward.

## **Pro-Bailout**

*Carl Levin* (and Jennifer Granholm and the rest of the MI delegation, both Democrat and Republican): Particularly given John Dingell's current focus on retaining his Chairmanship, Levin has taken the lead on championing a bailout for the auto industry. Levin has said he would be willing to discuss hard conditions on the industry—and already advocates more oversight than the financial bailout—though he has not committed to all the oversight some would like.

*Barney Frank*: Frank will submit the counter-part to Levin's bailout proposal today. He advocates even stronger conditions than Levin and than the conditions place on the finance bailout.

*Nancy Pelosi, Barack Obama*: Both the Speaker and the President-elect first floated a unique bailout but now (presumably realizing a unique bailout won't get done), want money from TARP. Both have advocated significant oversight and conditions on any bailout. Both are trying to prevent the \$25 retooling fund be turned into a bridge loan, because they want to make sure the retooling happens as well.

*George Voinovich*: Unlike John Boehner, Voinovich is putting his constituents ahead of ideology. Given that he is up for re-election in 2010, he may be thinking of how the populist Sherrod Brown trounced Mike DeWine in 2006.

## **Middle Ground**

*George Bush*: Bush supports a bailout, but would

like to use the \$25 billion that was supposed to be used for retooling factories to produce more efficient cars rather than tapping into TARP or providing new funds.

*Mitch McConnell:* Like Bush, McConnell would be willing to consider supporting a repurposing of the \$25 billion targeted for energy efficiency, but not new funds. McConnell is in a fairly tough place on these issues. While I'm sure he'd love to bust the UAW, he's got a bunch of auto plants in his state—with a remarkable mix of both Japanese and American manufacturers. Significantly, two key Ford plants in KY will be idling for 5 months over the holidays.

*Kit Bond:* Bond, who like Voinovich is up for re-election in a swing state in 2010, wants to save the jobs of Missourians, but wants to look tough at the same time.

#### **Anti-Bailout**

*Richard Shelby:* Shelby is the lead opponent of any kind of bailout and will, if pushed, demand a series of totally unrealistic conditions to try to thwart any kind of bailout. Partly, Shelby holds this position because as a good Republican he'd love to bust the UAW. More importantly, though (and something that the media appears either uninterested or unaware of), his stance, if successful, would give the major foreign manufacturers in his state a big competitive advantage. Of note, Shelby likes to say the Big Three have a failed business model, but he fails to disclose that most of the cars built in his state are the same behemoth SUVs and Trucks that most people believe are a big part of the failed Big Three model.

*John Boehner:* Boehner opposes the bailout, claiming the plan doesn't move the auto industry back towards competitiveness. I assume this is code for "free me of the UAW," since many of Ohio's workers are union auto employees.

*Jim Cooper:* Democratic Blue Dog Congressman from TN opposes the bailout, calling for conditions on it. TN is another state with auto

manufacturing—both the old Saturn plant and Nissan and Volkswagen plants.

*John Kyl:* In addition to Richard Shelby, Kyl was the other Republican attacking a bailout yesterday. Kyl, of course, is the second-ranking Republican in Senate leadership after Mitch McConnell. I take his appearance on the Sunday shows to be a bit of a surrogate for McConnell, who doesn't want to take the lead on opposing a bailout, though that's just gut feel.