

HR 7321

Auto Industry Financing and Restructuring Act

Congress: 110 (2007–2009, Ended)

Chamber: House

Policy Area: Commerce

Introduced: Dec 10, 2008

Current Status: Received in the Senate.

Latest Action: Received in the Senate. (Dec 11, 2008)

Official Text: <https://www.congress.gov/bill/110th-congress/house-bill/7321>

Sponsor

Name: Rep. Frank, Barney [D-MA-4]

Party: Democratic • State: MA • Chamber: House

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Budget Committee	House	Referred To	Dec 10, 2008
Energy and Commerce Committee	House	Referred To	Dec 10, 2008
Financial Services Committee	House	Referred To	Dec 10, 2008
Judiciary Committee	House	Referred To	Dec 10, 2008
Transportation and Infrastructure Committee	House	Referred to	Dec 10, 2008
Ways and Means Committee	House	Referred To	Dec 10, 2008

Subjects & Policy Tags

Policy Area:

Commerce

Related Bills

Bill	Relationship	Last Action
110 HRES 1534	Procedurally related	Dec 10, 2008: Motion to reconsider laid on the table Agreed to without objection.

Auto Industry Financing and Restructuring Act - Directs the President to designate one or more executive branch officers (designee) to carry out the purposes of this Act.

Requires the designee to authorize and direct the disbursement of bridge loans or to enter into commitments for lines of credit to each automobile manufacturer that submitted to Congress a plan on December 2, 2008, and request for such loan or commitment ("automaker," for purposes of this Act). Establishes as the amount of such assistance the amount intended to facilitate continued operations of the automaker and prevent its failure.

Directs the designee to: (1) determine measures to assess the progress of each automaker for transforming the plan submitted into a restructuring plan; (2) evaluate progress toward developing a restructuring plan after a 45-day period beginning when the assessment measures were established; and (3) facilitate agreement on a restructuring plan to achieve and sustain the long-term viability, international competitiveness, and energy efficiency of an automaker.

Requires each automaker to submit a restructuring plan to the designee no later than March 31, 2009. Directs the designee to approve such plan if it meets specified requirements, including that it will result in: (1) the repayment of all government-provided financing, under specified terms; (2) the domestic manufacturing of advanced technology vehicles, as described under the Energy Independence and Security Act of 2007; (3) efforts to rationalize costs, capitalization, and capacity; and (4) proposals to restructure existing debt.

Authorizes the designee, upon plan approval, to provide financial assistance to an automaker to implement the plan. Requires a loan to be called upon restructuring plan disapproval.

Directs the designee to prioritize the loan assistance to automakers, based on: (1) its necessity for continued operations; (2) potential impacts of the automaker's failure on the U.S. economy; and (3) the ability to use the assistance to satisfy operational and long-term restructuring requirements.

Makes appropriations to provide loan funds under this Act in an amount up to \$14 billion. Authorizes appropriations to the Secretary of Energy to replenish funds made available. Provides loan terms and conditions.

Requires each recipient, during the loan period, to inform the designee of: (1) any proposed automaker transaction in excess of \$100 million; and (2) any other material change in financial condition. Authorizes the designee to review and approve or disapprove such a transaction. Outlines provisions concerning an automaker's failure to comply with loan requirements.

Requires the designee to receive warrants for up to 20% of the common or preferred stock of each automaker as a loan condition. Subjects each automaker, during the loan period, to specified executive compensation and corporate governance standards. Limits an automaker's owning or leasing of corporate passenger aircraft, and prohibits an automaker's payment of dividends, during such period. Subordinates to the federal loan any other automaker obligations.

Prohibits a title 11 bankruptcy discharge from discharging an automaker or its successor in interest from any debt for assistance received under this Act.

Directs the Comptroller General to conduct ongoing oversight of the designee's activities and performance and to report at least every 60 days to Congress. Adds to duties of the Special Inspector General established by the Emergency Economic Stabilization Act of 2008 the duty to coordinate audits and investigations of the designee.

Requires each loan recipient to analyze potential uses of excess production capacity to make vehicles for sale to public transit agencies.

Requires reports from the designee to Congress on: (1) assistance activities undertaken under this Act; and (2) a plan on achieving the long-term viability, international competitiveness, and energy efficiency of each automaker.

Directs the designee to serve as a guarantor of leases of qualified transportation property (domestic property subject to a lease approved by the Federal Transit Administration prior to January 1, 2006).

Authorizes a salary adjustment during FY2009 for justices and judges of the United States.

Sets forth guidelines for application of the antitrust laws and antitrust agency participation in proceedings of the automakers.

Makes inapplicable to ownership changes resulting from this Act certain Internal Revenue Code provisions limiting the carryover of net operating losses and certain built-in losses.

Designates amounts provided under this Act as an emergency requirement under the FY2008 concurrent budget resolution.

Actions Timeline

- **Dec 11, 2008:** Received in the Senate.
- **Dec 10, 2008:** Introduced in House
- **Dec 10, 2008:** Referred to the Committee on Financial Services, and in addition to the Committees on Energy and Commerce, Ways and Means, the Judiciary, Transportation and Infrastructure, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
- **Dec 10, 2008:** Referred to the Subcommittee on Highways and Transit.
- **Dec 10, 2008:** Rules Committee Resolution H. Res. 1534 Reported to House. Rule provides for consideration of H.R. 7321 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. A specified amendment is in order.
- **Dec 10, 2008:** Rule H. Res. 1534 passed House.
- **Dec 10, 2008:** Considered under the provisions of rule H. Res. 1534. (consideration: CR H10908-10935; text of measure as introduced: CR H10908-10912)
- **Dec 10, 2008:** Rule provides for consideration of H.R. 7321 with 1 hour of general debate. Previous question shall be considered as ordered without intervening motions except motion to recommit with or without instructions. Measure will be considered read. A specified amendment is in order.
- **Dec 10, 2008:** DEBATE - The House proceeded with one hour of debate on H.R. 7321.
- **Dec 10, 2008:** DEBATE - The House resumed with debate on H.R. 7321.
- **Dec 10, 2008:** DEBATE - Pursuant to the provisions of H.Res. 1534, the House proceeded with 10 minutes of debate on the LaTourette amendment.
- **Dec 10, 2008:** Passed/agreed to in House: On passage Passed by recorded vote: 237 - 170, 1 Present (Roll no. 690).
- **Dec 10, 2008:** On passage Passed by recorded vote: 237 - 170, 1 Present (Roll no. 690).
- **Dec 10, 2008:** Motion to reconsider laid on the table Agreed to without objection.