

REQUESTING THAT THE PRESIDENT TRANSMIT TO THE HOUSE OF REPRESENTATIVES ALL INFORMATION IN HIS POSSESSION RELATING TO CERTAIN SPECIFIC COMMUNICATIONS WITH AND FINANCIAL ASSISTANCE PROVIDED TO GENERAL MOTORS CORPORATION AND CHRYSLER LLC

JULY 24, 2009.—Referred to the House Calendar and ordered to be printed

Mr. FRANK of Massachusetts, from the Committee on Financial Services, submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H. Res. 591]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the resolution (H. Res. 591) requesting that the President transmit to the House of Representatives all information in his possession relating to certain specific communications with and financial assistance provided to General Motors Corporation and Chrysler LLC, having considered the same, report favorably thereon with an amendment and recommend that the resolution be agreed to.

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The amendment is as follows:

Strike all after the resolving clause and insert the following:

That the House of Representatives requests that the President transmit to the House of Representatives not later than 14 days after the date of the adoption of this resolution, copies of any portions of all documents, records, and communications in his possession referring or relating to—

(1) the role of the Presidential Task Force on the Auto Industry (hereafter referred to as “Task Force”) in negotiating, reviewing, approving, or relating in any other aspect to the plans for reorganization or restructuring in connection with proceedings commenced during 2009 under chapter 11, of title 11, United States Code, with respect to General Motors Corporation and Chrysler LLC (hereafter in this resolution referred to as “General Motors” and “Chrysler”, respectively);

(2) the interaction of the Task Force with any other entity to identify which vehicle dealerships of General Motors or Chrysler would be selected for closure in connection with such plans of reorganization or restructuring, and which would be specifically selected for exemption from such closure, and procedures and processes for making such determinations;

(3) the role of the Task Force in negotiating, reviewing, approving, determining, or in any other aspect relating to, levels of and reductions in the employee and retiree benefits of General Motors’ and Delphi Corporation’s salaried employees and retirees, non-union hourly retirees, and each union with members employed by the companies, and in establishing the new Voluntary Employee Beneficiary Association;

(4) the President’s role in determining any vehicle dealership closures and plant closings;

(5) the role of the Task Force in negotiating, reviewing, approving, or in any other aspect relating to, agreements whereby—

(A) the United Auto Workers, or any trust of the United Auto Workers, would end up owning a certain percentage of General Motors or Chrysler post-bankruptcy, including any document, record, or communication discussing how such determination was made or percentage arrived at; and

(B) as part of the restructuring of General Motors and Chrysler, bondholders of each respective company would end up owning a certain percentage of each respective company, including any document, record, or communication discussing how such determination was made or percentage arrived at;

(6) the decision of the President to forgive any loans made by the United States to General Motors or Chrysler under the Troubled Assets Relief Program (TARP) in title I of the Emergency Economic Stabilization Act of 2008;

(7) any decision or determination relating to the authority under such Act to provide financial assistance to General Motors or Chrysler, specifically any determination regarding whether General Motors or Chrysler were lawfully eligible to receive such assistance based on the definition of “financial institution” under that Act; and

(9) actual payments made by the United States to automobile manufacturers pursuant to such Act, including any schedule of payments, and the terms and conditions governing any such payments.

PURPOSE AND SUMMARY

House Resolution 591 requests that the President transmit to the House of Representatives all information in his possession relating to certain specific communications with and financial assistance provided to General Motors Corporation and Chrysler LLC.

BACKGROUND AND NEED FOR LEGISLATION

H. Res. 591, introduced by Mr. Boehner on June 26th and referred to the Committee on Financial Services, qualifies as a resolution of inquiry. Under clause 7 of rule XIII of the Rules of the House of Representatives, such a resolution must be reported by the Committee within 14 legislative days of its introduction. If the Committee does not file its report within that time, a motion to discharge the Committee from further consideration of the resolution becomes privileged on the floor.

Under the Rules and precedents of the House, a resolution of inquiry is one of the methods used by the House to obtain information from the executive branch. According to volume 7, chapter 24, section 8 of Deschler's Procedure, it is a "simple resolution making a direct request or demand of the President or the head of an executive department to furnish the House of Representatives with specific factual information in the possession of the executive branch."

The Committee requests that the President transmit copies of any portions of all documents, records and communications not covered by established privilege when complying with the resolution. The Chair noted that he would not convene the Committee for a contempt proceeding if information were withheld properly according to established privileges.

HEARINGS

The Committee has held no hearings on H. Res. 591.

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on July 17, 2009, ordered H. Res. 591, as amended, reported to the House with a favorable recommendation.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. No record votes were taken during the Committee's consideration of this legislation. A motion by Mr. Frank to report the resolution, as amended, to the House with a favorable recommendation was agreed to by a voice vote, a quorum being present.

During the consideration of the resolution, an amendment offered by Mr. Lee, No. 1, regarding the role of the Task Force regarding Delphi Corporation and its employees and unions, was agreed to by a voice vote.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee made findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated into the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Consistent with clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee establishes the following performance related goals and objectives for this legislation:

H. Res. 591, requests that the President transmit to the House of Representatives all information in his possession relating to certain specific communications with and financial assistance provided to General Motors Corporation and Chrysler LLC.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX
EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee finds that this legislation would result in no new budget authority, entitlement authority, or tax expenditures or revenues.

FEDERAL MANDATES STATEMENT

H. Res. 591 contains no unfunded mandates.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

EARMARK IDENTIFICATION

H. Res. 591 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

H. Res. 591 requests that the President transmit to the House of Representatives not later than 14 days after the date of the adoption of this resolution, copies of any portions of all documents, records, and communications in his possession referring or relating to—

(1) the role of the Presidential Task Force on the Auto Industry (hereafter referred to as ‘Task Force’) in negotiating, reviewing, approving, or relating in any other aspect to the plans for reorganization or restructuring in connection with proceedings commenced during 2009 under chapter 11, of title 11, United States Code, with respect to General Motors Corporation and Chrysler LLC (hereafter in this resolution referred to as ‘General Motors’ and ‘Chrysler’, respectively);

(2) the interaction of the Task Force with any other entity to identify which vehicle dealerships of General Motors or Chrysler would be selected for closure in connection with such plans of reorganization or restructuring, and which would be specifically selected for exemption from such closure, and procedures and processes for making such determinations;

(3) the role of the Task Force in negotiating, reviewing, approving, determining, or in any other aspect relating to, levels of and reductions in the employee and retiree benefits of General Motors’ and Delphi Corporation’s salaried employees and retirees, non-union hourly retirees, and each union with members employed by the companies, and in establishing the new Voluntary Employee Beneficiary Association;

(4) the President's role in determining any vehicle dealership closures and plant closings;

(5) the role of the Task Force in negotiating, reviewing, approving, or in any other aspect relating to, agreements whereby—

(A) the United Auto Workers, or any trust of the United Auto Workers, would end up owning a certain percentage of General Motors or Chrysler post-bankruptcy, including any document, record, or communication discussing how such determination was made or percentage arrived at; and

(B) as part of the restructuring of General Motors and Chrysler, bondholders of each respective company would end up owning a certain percentage of each respective company, including any document, record, or communication discussing how such determination was made or percentage arrived at;

(6) the decision of the President to forgive any loans made by the United States to General Motors or Chrysler under the Troubled Assets Relief Program (TARP) in title I of the Emergency Economic Stabilization Act of 2008;

(7) any decision or determination relating to the authority under such Act to provide financial assistance to General Motors or Chrysler, specifically any determination regarding whether General Motors or Chrysler were lawfully eligible to receive such assistance based on the definition of 'financial institution' under that Act; and

(8) actual payments made by the United States to automobile manufacturers pursuant to such Act, including any schedule of payments, and the terms and conditions governing any such payments.

ADDITIONAL VIEWS

We support the Republican Leader's sensible and timely Resolution of Inquiry that requests that the President transmit to the House of Representatives any and all information regarding the government's role in negotiating the restructurings of General Motors Corp. and Chrysler LLC. Before approving the resolution, the Committee adopted an amendment offered by Mr. Lee of New York specifically requesting information from the Automotive Task Force on decisions related to employee and retiree benefits at Delphi Corporation, which is GM's largest parts supplier. The amendment assures that Congress will examine whether the Task Force accounted for both hourly and salaried employees' pension benefits and the impact of having pensions turned over to the PBGC.

When its restructuring plan was first announced, GM agreed to assume the pension benefits of Delphi's hourly workers, while the salaried workers would have had their pensions turned over to the federally-chartered Pension Benefit Guaranty Corporation (PBGC).

However, Delphi announced on July 22, 2009, that GM has backed out of its plan to assume the pensions of hourly retirees. The PBGC has filed suit to take over the benefits of all of the company's roughly 70,000 workers.

Combined, Delphi's hourly and salaried plans have a funding shortfall of \$6.8 billion, \$6.2 billion of which will be covered by the PBGC. Payments by the agency are capped by law depending upon a retiree's age. Under this plan, Delphi retirees stand to lose as much as 70 percent of their pension payments.

These retirees are hard-working Americans who certainly understand the need to make sacrifices to ensure a better, stronger economy over the long-term. They did not, however, sign up for having the benefits they earned, the benefits they counted on, being taken from them. A broad bipartisan coalition of lawmakers in the House has worked hard to stand up for these retirees and give them a voice in Washington. As 60 percent owners in the new GM, they, their families, and American taxpayers have a right to demand a substantive explanation on how the Task Force reached these decisions.

At the committee markup, Chairman Frank pledged to help ensure that a hearing is held on this matter before the House adjourns for the August District Work Period. We look forward to working with him to see that this hearing occurs in short order.

Signed,

CHRISTOPHER LEE.
SPENCER BACHUS.
JOHN CAMPBELL.
THADDEUS MCCOTTER.
PETER KING.
JUDY BIGGERT.
DANIEL B. MAFFEI.
JOE BACA.
TRAVIS W. CHILDERS.
MARY J. KILROY.
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ALAN GRAYSON.

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