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3RD DISTRICT, INDIANA

HOMELAND SECURITY COMMITTEE

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The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington D.C. 20005

Dear Mr. President,

Earlier this week I held two meetings in northeast Indiana with Tier I, II and III parts suppliers to GM, Chrysler and Ford to discuss the current economic situation and hear their concerns. As you may know, Indiana's Third Congressional District is home to more manufacturing jobs than any other congressional district—more than 16 other total States. Tens of thousands of these jobs are tied directly to the automotive industry and many are located in Elkhart County.

After meeting with the suppliers, it became clear the \$5 billion included in TARP for the auto suppliers has been helping. However, there are a few changes that can be made to maximize the program's effectiveness and minimize the number of suppliers that will go out of business.

Currently, GM and Chrysler are scheduled to shut down some of their manufacturing plants for up to 11 weeks this summer. These down times cause serious strain on suppliers, as most operate on profit margins of less than six percent. To mitigate this strain, I am asking that you suspend the fees parts suppliers must pay to have the Treasury back their receivables, until the production plants are reopened. While this may seem like a small request it could mean thousands of jobs in northeast Indiana.

Presently, Tier II and III suppliers are not included in the \$5 billion program. I ask that you reevaluate the decision to exclude them. In many instances Tier II and III suppliers are vital links in the automotive supply chain. If these businesses fail the automotive industry will surely suffer.

As you continue to work through this economic crisis, I ask you to not forget about our country's automotive manufacturing backbone in northeast Indiana. Thank you for your consideration and I look forward to your prompt response.

Sincerely,



Mark E. Souder
Member of Congress