

November 20, 2008

To: AMT Leadership
From: Bob Simpson
Subject: Auto Industry's Financial Situation



There is no denying that the impact of a Big Three meltdown would be felt throughout its supply chain right into our own membership. Many in the manufacturing technology industry will be hit hard even if there is a Federal support program initiated as the automakers scramble to stay afloat. I just wanted to share with you some of the actions underway and AMT's role in support of Federal Government relief for our domestic automobile builders – both national and foreign owned.

AMT has called on Congress and the Administration to act immediately to provide financial assistance to the struggling automakers. The press release is available on AMT's website and by accessing this link [Auto Industry Press Release](#). I have prepared personal letters to each of the newly elected Representatives and Senators. I encourage you to introduce yourself and your concerns to your Representative and Senators as well. Please copy me on the letters – it helps.

Earlier this month, the Department of Energy issued an interim final rule implementing the Advanced Technology Vehicles Manufacturing ("ATVM") Incentive Program. This program provides up to \$25 billion in direct loans to eligible companies to produce autos that will reduce our reliance on foreign oil. More information of the ATVM program can be found on the Department of Energy's website: www.atvmloan.energy.gov. As Congress considers expanding the loan program from \$25 to \$50 billion, AMT will be urging Congress that it also considers expanding the eligibility for loans to include producers of the technology needed to create the next generation of autos. This week, AMT Government Relations staff met with the staffs of two key lawmakers, Senator Carl Levin (D-MI) and Rep. Barney Frank (D-MA), to make our case.

AMT supports expanding the coverage of the Troubled Assets Relief Program's \$700 billion to include not only banks and Wall Street but the auto industry and its supply chain as well. We will be sharing that view with our friends on the Hill and urging the present and future Administrations to support those changes.

President-elect Barack Obama has stated that dealing with the auto crisis will be among the first orders of business for his new Administration. He has also signaled that all of the stakeholders, including suppliers, should be included in coming up with the plan for a sustainable auto industry.

But that alone is not sufficient....

Extension of bonus depreciation and enhanced small business (Sec. 179) expensing are chief legislative priorities for the Association. AMT was one of the 23 trade associations signing onto to a Congressional letter calling for extending these provisions. The letter can be found on AMT's website or by clicking on this link: [Trade Association Letter to Congress](#). As of November 18th, the extension of these provisions are included in a larger Senate bill aimed at helping companies grapple with 2006 federal contribution requirements for defined benefit pension plans. It is still unclear what the immediate fate of this legislation will be. However, this bill is an indication, as a bipartisan effort, that we have a good chance of extending bonus depreciation and enhanced Sec. 179 expensing should Congress tackle this whole issue early next year.

AMT's Government Relations Department is lobbying hard on these and other issues to ensure that the competitiveness of America's manufacturers is at the top of the agenda for the new Administration and Congress.

I intend to meet with the newly elected members of the 111th Congress whose districts are home to AMT members to request their help in solving the urgent problems facing our industry and our customers. I encourage you to join me in these meetings. If you interested, please e-mail me, and I will contact you when a meeting with your Representative is scheduled.