

AMENDMENT NO. _____ Calendar No. _____

Purpose: To establish conditions for loans under this Act.

IN THE SENATE OF THE UNITED STATES—110th Cong., 2d Sess.

(no.) _____

(title) _____

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. CORKER

Viz:

1 At the appropriate place, insert the following:

2 **SEC. ____ . ADDITIONAL REQUIREMENTS.**

3 (a) LOAN CONDITIONS.—

4 (1) IN GENERAL.—As a condition of receiving
5 financial assistance under this Act, each eligible
6 automobile manufacturer shall comply with the fol-
7 lowing conditions, including entering into new agree-
8 ments or contracts or modifying any agreement or
9 contract, notwithstanding any other provision of law
10 (including the Employee Retirement Income Security
11 Act of 1974, and collective bargaining agreements

1 and contracts of employment), as required to meet
2 such conditions:

3 (A) No eligible automobile manufacturer
4 may receive a loan or other assistance under
5 this Act, unless such manufacturer reduces its
6 outstanding unsecured indebtedness (other than
7 with respect to pension and employee benefits
8 obligations) by not less than two thirds,
9 through a debt for equity exchange.

10 (B) Notwithstanding paragraph (2), for
11 the period beginning not later than March 31,
12 2009 and ending on the termination date appli-
13 cable under such paragraph, the eligible auto-
14 mobile manufacturer shall—

15 (i) reduce the total amount of com-
16 pensation, including wages and benefits,
17 paid to employees of the manufacturer so
18 that the average of such total amount, per
19 hour and per person, is an amount that is
20 equal to the average total amount of such
21 compensation, as certified by the Secretary
22 of Labor, paid per hour and per person to
23 employees of Nissan Motor Company, Toy-
24 ota Motor Corporation, or American

1 Honda Motor Company whose site of em-
2 ployment is in the United States; and

3 (ii) ensure that the work rules that
4 apply to the employees of the manufac-
5 turer are on par with the work rules for
6 the employees of Nissan Motor Company,
7 Toyota Motor Corporation, or American
8 Honda Motor Company whose site of em-
9 ployment is in the United States.

10 (C) Not less than one-half of the value of
11 each payment or contribution made by the eligi-
12 ble automobile manufacturer to the account of
13 the voluntary employees beneficiary association
14 (or similar account) of a labor organization rep-
15 resenting the employees of the manufacturer
16 shall be made in the form of the stock of the
17 manufacturer, and the total value of any such
18 payment or contribution shall not exceed the
19 amount of any such payment or contribution
20 that was required for such time period under
21 the collective bargaining agreement that applied
22 as of the day before the date of enactment of
23 this Act.

24 (D) The eligible automobile manufacturer
25 shall immediately eliminate the payment of any

1 compensation or benefits to employees of the
2 manufacturer who have been fired, laid off, fur-
3 loughed, or idled, other than customary sever-
4 ance pay.

5 (E) The eligible automobile manufacturer
6 shall agree to the requirements of subsection
7 (b).

8 (2) DURATION.—Each eligible automobile man-
9 ufacturer that has received a loan or other assist-
10 ance under this Act shall comply with the require-
11 ments of subparagraphs (A) through (E) of para-
12 graph (1) during the period beginning on the date
13 on which the loan or assistance is approved and end-
14 ing on the date on which the manufacturer has paid
15 the full amount of the obligation under the loan, in-
16 cluding any applicable interest.

17 (3) APPLICABILITY.—The requirements of
18 paragraph (1) shall apply to each eligible automobile
19 manufacturer that receives any financial assistance
20 under this Act.

21 (b) PENALTY FOR NONCOMPLIANCE.—

22 (1) REPAYMENT OR BANKRUPTCY.—The out-
23 standing obligations of a loan or other financial as-
24 sistance made under this Act shall become due, and
25 the eligible automobile manufacturer that received

1 such loan or financial assistance shall immediately
2 repay the full amount of such obligations to the Sec-
3 retary or, if unable to make such full repayment, im-
4 mediately file for bankruptcy under chapter 11 of
5 title 11, United States Code, if—

6 (A) by March 15, 2009, an eligible auto-
7 mobile manufacturer that received a loan or
8 other assistance under this Act has not imple-
9 mented and fully carried out the requirements
10 of subsection (a)(1)(A) in a long-term and sus-
11 tainable manner, as determined by the Sec-
12 retary; or

13 (B) by March 31, 2009, and during the pe-
14 riod of applicability described in subsection
15 (a)(2), the manufacturer fails to comply with
16 the requirements of subparagraphs (B) through
17 (E) of subsection (a)(1).

18 (2) DEPOSIT OF FUNDS IN TREASURY.—All
19 funds from an eligible automobile manufacturer re-
20 ceived under paragraph (1) shall be deposited in the
21 Treasury of the United States.