

ROBERT MENENDEZ
NEW JERSEY

COMMITTEES:
BANKING, HOUSING, AND URBAN
AFFAIRS
BUDGET
ENERGY AND NATURAL RESOURCES
FOREIGN RELATIONS

United States Senate

WASHINGTON, DC 20510-3005
January 22, 2009

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President Barack Obama
The White House
1600 Pennsylvania Ave. N.W.
Washington, D.C. 20500

Dear Mr. President:

First let me say, congratulations on a beautiful inauguration ceremony. It was an honor to witness such a historic celebration, and I can only imagine what an amazing experience it was for you and your family. As you begin this new endeavor, I look forward to working with you on many of the grave challenges facing our nation.

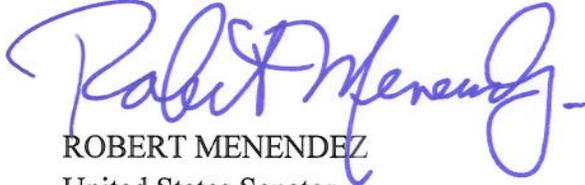
One of the most daunting problems currently before us is the struggling auto industry. The Treasury Department recently announced that it has already made a \$4 billion loan authorized by the previous administration to Chrysler LLC with an additional \$1.5 billion loan going to Chrysler Financial. The loan came from the \$700 billion Troubled Asset Relief Program originally authorized to help rescue the troubled financial industry. However, not soon after this loan was made, Chrysler released a letter of intent to form a partnership with Italian automaker Fiat. Even more alarming, the New York Times reported that a person with knowledge of the negotiations stated that Fiat could be given the option to eventually increase its stake in Chrysler to 55 percent, giving it majority control.

I raised concerns about this exact scenario at a recent hearing before the Senate Committee on Banking, Housing, and Urban Affairs regarding an auto industry bailout. As I said then, we do not want the American taxpayers paying to prop up the foreign auto industry. At the hearing, Gary Keppinger, General Counsel for the Government Accounting Office, assured me that there was "no substantial likelihood that Chrysler will be absorbed by or merged with any foreign entity." I also spoke personally with Robert Nardelli, the Chairman and CEO of Chrysler Corporation, about the possibility of a merger and asked him if they would be willing to pay back the loan in full should such a merger take place. Mr. Nardelli assured me that he would be supportive of such a requirement.

As the potential partnership between Chrysler and Fiat moves forward, I am asking you to address the potentiality of foreign control and require the immediate payback of the loans already dispersed should such a scenario present itself. I am sure you would agree that the responsible action is to ensure that American taxpayers are not financing foreign automakers.

Thank you for your attention to this issue and again congratulations on your inauguration.

Sincerely,

A handwritten signature in blue ink, reading "Robert Menendez", with a stylized flourish at the end.

ROBERT MENENDEZ
United States Senator