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Govt to lose \$14B of auto bailout funds

WASHINGTON

The Obama administration said Wednesday that the government will lose about \$14 billion in taxpayer funds from the bailout of the U.S. auto industry.

In a report from the president's National Economic Council, officials said that figure is down from the 60 percent the Treasury Department originally estimated the government would lose following its \$80 billion bailout of Chrysler and General Motors in 2009.

The report's release coincides with the administration's efforts to tout the bailout's role in the revitalization of the U.S. auto industry after last week's announcement that Chrysler is repaying \$5.9 billion in U.S. loans and a \$1.7 billion loan from the Canadian government. Those payments cover most of the federal bailout money that saved the company after it nearly ran out of cash in and went through a government-led bankruptcy.

GM previously announced that it had repaid a little more than half of the \$50 billion it received in federal aid.

Treasury Secretary Timothy Geithner said U.S. auto companies are now at the forefront of a comeback in American manufacturing.

"We cannot guarantee their success, and at some point they may stumble. But we've given them a better shot," Geithner wrote in an opinion piece in Wednesday's edition of The Washington Post.

"While we will not get back all of our investments in the industry, we will recover much more than most predicted, and far sooner," he wrote.

Obama will visit a Chrysler plant in Ohio Friday to tout highlight the company's success.

GM and Chrysler were on the verge of collapse in the final days of the Bush administration after Congress failed to approve an emergency loan package. The Bush administration gave the companies \$17.4 billion in loans and required them to develop a restructuring plan by mid-February 2009.

Obama's administration pumped billions more into the carmakers later that spring but won concessions from industry stakeholders, allowing it to push GM and Chrysler through bankruptcy court in the summer of 2009.



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