

# **Cosponsor H.R. 2743, The Automobile Dealer Economic Restoration Act**

**From: The Honorable Daniel B. Maffei**

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**Bill: H.R. 2743**

**Date: 6/8/2009**

**Deadline to become an original cosponsor: 6pm today**

Dear Colleague:

Please join us in protecting our nation's auto dealers by cosponsoring H.R. 2743, the Automobile Dealer Economic Restoration Act, which would require Chrysler and General Motors to continue to honor their commitments to auto dealers. Automobile dealers are one of the largest private sector employers in the United States, providing tens of thousands of local jobs and contributing millions of dollars in tax revenues to states. Forcing the closure of automobile dealers would have an especially devastating economic impact in rural communities, where dealers play an integral role in the community, provide essential services and serve as a critical economic engine. This legislation requires that auto manufacturers in which the Federal Government has an ownership interest, or to which the federal government is a lender, continue to honor commitment and not deprive economic rights to the dealers.

Previously GM and Chrysler seemingly arbitrarily notified dealers that their relationship was ending, essentially immediately, leaving dealers with millions of dollars invested in car stock, no options for consolidation and little leverage for liquidation. There was no transparency to the system that would shutdown many profitable dealerships that have been local institutions for decades. Furthermore, the decisions lacked any proof from the automakers that these closing would actually benefit them financially. This legislation builds on the efforts of Congress in a letter sent to the Treasury Department Auto Task Force on May 19, and a letter sent to President Obama today.

Specifically, H.R. 2743 accomplishes these goals:

- Restores the economic rights of General Motors and Chrysler car dealers as they existed prior to each company's bankruptcies.
- Preserves General Motors and Chrysler car dealers' rights to recourse under state law
- At the request of an automobile dealer, requires General Motors and Chrysler to reinstate franchise agreements in effect prior to each company's bankruptcies.
- Makes clear that the legislation is not intended to make null and void the court-ordered transfer of assets from Chrysler LLC to New CarCo Acquisition LLC or the transfer of General Motors assets that could be approved by a court after the introduction of the Act.

If you have any questions or would like to become a cosponsor please contact Hasan Sarsour of Rep. Maffei's staff at [hasan.sarsour@mail.house.gov](mailto:hasan.sarsour@mail.house.gov) or Ben Abrams of Rep. Kratovil's staff at [ben.abrams@mail.house.gov](mailto:ben.abrams@mail.house.gov).

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