

**Congress of the United States**  
**House of Representatives**  
**Washington, D.C. 20515**

May 15, 2009

The Honorable Steven Rattner  
Counselor to the Secretary of the Treasury  
United States Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

Dear Mr. Rattner:

We are writing to express our serious concerns regarding the decision by the Auto Industry for the rapid and potentially disorderly elimination of thousands of Chrysler and General Motors dealerships. This action, if implemented, could put approximately 150,000 people out of work. Since these dealer reductions and its ripple effects would have a serious and adverse impact on the United States, we would like to ask you to inquire with the companies about their rationale for revoking franchise agreements with thousands of dealerships.

To justify these job losses, GM and Chrysler are apparently relying on a misperception that new car dealers create a cost burden to auto manufacturers. This is not true, on average reportedly almost all of an automaker's revenue comes from dealers purchasing the automakers' vehicles. Far from saving money, a rapid reduction in dealerships could very likely reduce GM's and Chrysler's revenue and market share.

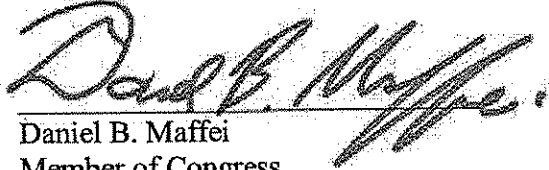
Automobile dealers are one of the largest private sector employers in the United States, providing tens of thousands of local jobs and contributing millions of dollars in tax revenues to states. Auto dealers are anchors in communities throughout the country and many times ownership is passed down from generation to generation. In addition many auto dealerships are minority owned and have traditionally provided strong local community support. Each dealership creates an average of 52 neighborhood jobs and these positions typically pay twice the national average as other retail-sector jobs. Dealers have invested about \$233 billion to create an auto sales network that provides a vast distribution and service channel for consumers. In fact, automakers created the franchise dealer network specifically to lower their costs, as they outsource virtually all costs associated with selling and servicing cars.

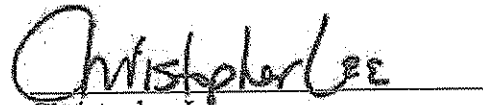
Last year, over a thousand auto dealers closed their doors for good. Further thinning of the dealer ranks through normal market, dealer-driven consolidation, and other forces is inevitable. The action being proposed has not taken into effect the impact on communities and workers, and without any evidence that massive and immediate dealer reductions are necessary to restore the financial health of GM and Chrysler.

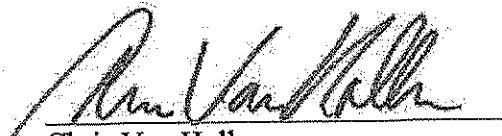
We appreciate the enormity of the mission your Task Force has undertaken to help the auto industry. However, we are concerned the reduction of dealerships, at a time when


the national unemployment rate is rising, is counterproductive policy. We respectfully request that the Auto Task Force urge the companies to provide more transparency and justification on forced dealership closures, revisit their decision and consider the damaging effects on local communities.


Sincerely,


  
Daniel B. Maffei  
Member of Congress


  
Christopher Lee  
Member of Congress


  
Chris Van Hollen  
Member of Congress

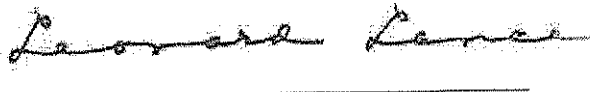
  
Betty McCollum  
Member of Congress

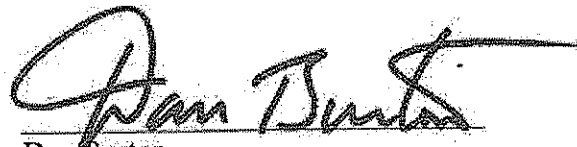
  
Alan Grayson  
Member of Congress

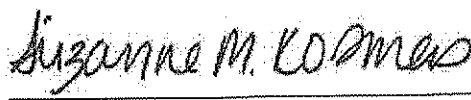
  
Michael E. McMahon  
Member of Congress

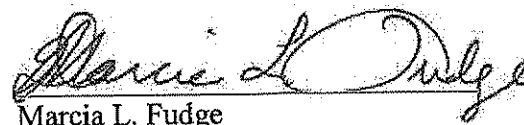
  
Sue Wilkins Myrick  
Member of Congress

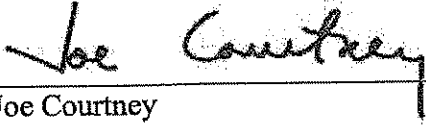
  
Mark H. Schauer  
Member of Congress

  
Leonard Lance  
Member of Congress

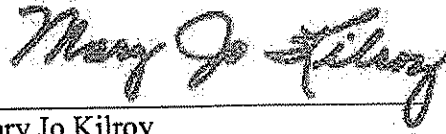
  
Dan Burton  
Member of Congress

  
Suzanne M. Kosmas  
Member of Congress

  
Marcia L. Fudge  
Member of Congress



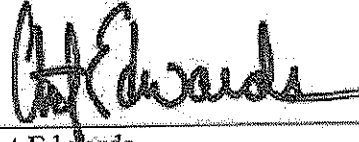
Joe Courtney  
Member of Congress



Mary Jo Kilroy  
Member of Congress



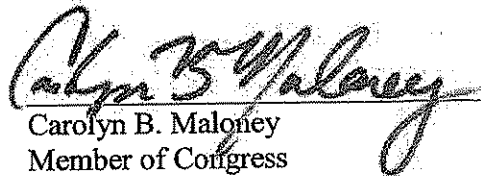
Peter Welch  
Member of Congress



Chet Edwards  
Member of Congress



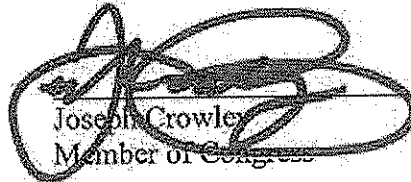
Eric J.J. Massa  
Member of Congress



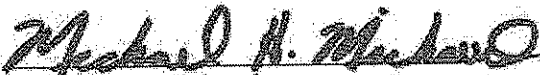
Carolyn B. Maloney  
Member of Congress



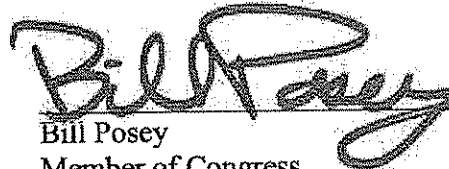
Gene Green  
Member of Congress



Joseph Crowley  
Member of Congress



Michael H. Michaud  
Member of Congress



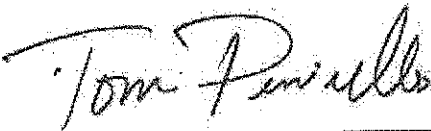
Bill Posey  
Member of Congress



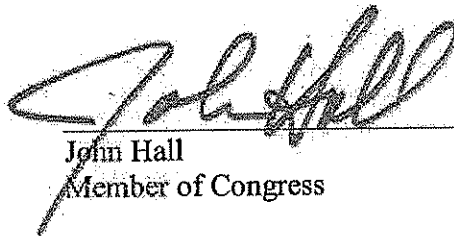
David Scott  
Member of Congress




Neil Abercrombie  
Member of Congress

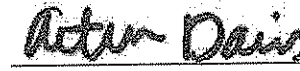



Member of Congress

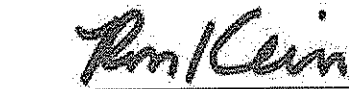


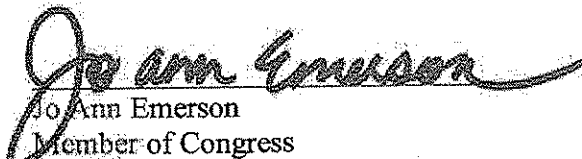
John Hall  
Member of Congress

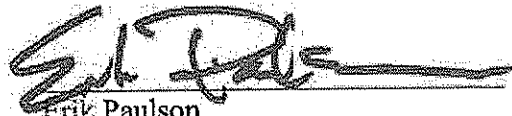
  
Earl Pomeroy  
Member of Congress

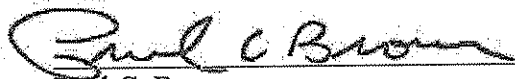
  
Artur Davis  
Member of Congress


  
Mike D. Rogers  
Member of Congress

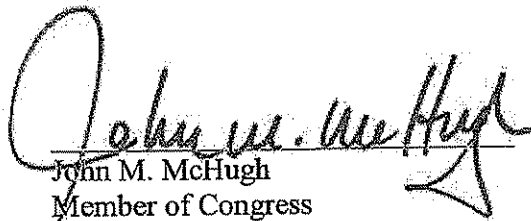
  
Ron Klein  
Member of Congress

  
Jo Ann Emerson  
Member of Congress

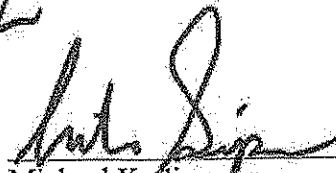
  
Erik Paulson  
Member of Congress

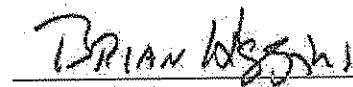
  
Paul C. Brown  
Member of Congress


  
Bill Pascrell, Jr.  
Member of Congress

  
John M. McHugh  
Member of Congress

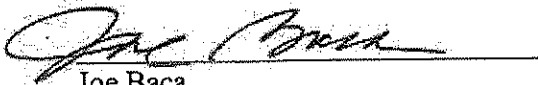
  
Ben Ray Lujan  
Member of Congress

  
Michael K. Simpson  
Member of Congress

  
Brian Higgins  
Member of Congress

  
Charles A. Wilson  
Member of Congress

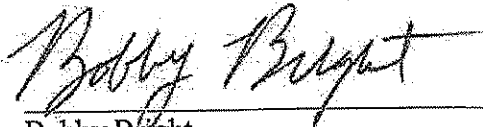
  
Loretta Sanchez  
Member of Congress



Joe Baca  
Member of Congress



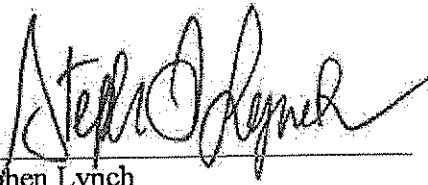
Michael A. Arcuri  
Member of Congress



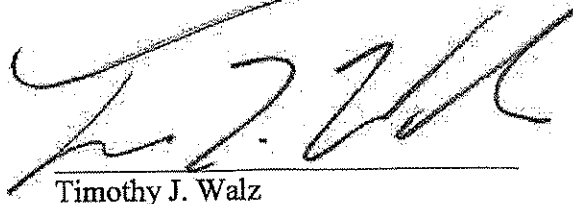
Bobby Bright  
Member of Congress



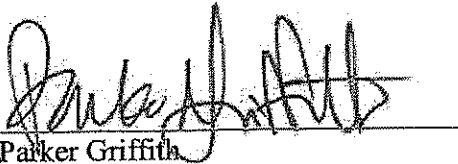
Steve Kagen  
Member of Congress



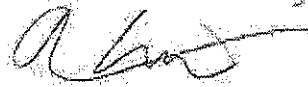
Stephen Lynch  
Member of Congress




Timothy J. Walz  
Member of Congress



Parker Griffith  
Member of Congress



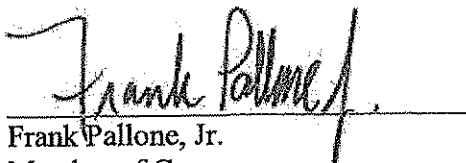
Andre Carson  
Member of Congress



Paul Hodes  
Member of Congress



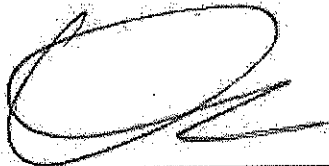
Ron Kind  
Member of Congress



Frank Pallone, Jr.  
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Aaron Schock  
Member of Congress



David Wu  
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Robert B. Aderholt  
Member of Congress

*Todd W. Akin*

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*Jim Gerlach*

Jim Gerlach  
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*Blaine Luetkemeyer*

Blaine Luetkemeyer  
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*Adam Schiff*

Adam Schiff  
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*Peter Hoekstra*

Peter Hoekstra  
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*Dina Titus*

Dina Titus  
Member of Congress

*David Loebsack*

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Member of Congress

*Corrine Brown*

Corrine Brown  
Member of Congress

*Bill Foster*

Bill Foster  
Member of Congress

*Doc Hastings*

Doc Hastings  
Member of Congress

*Jo Bonner*

Jo Bonner  
Member of Congress

*Byron Pitts*

Member of Congress

*IL-19*

Member of Congress

*[Signature]*

Member of Congress