

111TH CONGRESS
1ST SESSION

H. CON. RES. 174

Expressing the sense of the Congress that the President should recognize the importance of auto dealerships to communities across the country by encouraging remedies for those franchises eliminated during recent car manufacturer bankruptcies.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2009

Mr. ISSA (for himself and Mr. SMITH of Texas) submitted the following concurrent resolution; which was referred to the Committee on Energy and Commerce

CONCURRENT RESOLUTION

Expressing the sense of the Congress that the President should recognize the importance of auto dealerships to communities across the country by encouraging remedies for those franchises eliminated during recent car manufacturer bankruptcies.

Whereas car dealerships have a long established and important relationship with communities across the country;

Whereas car dealerships employ over 1,000,000 people nationwide with each dealership employing an average of 55 people;

Whereas car dealerships sponsor many community events in each of the communities in which they serve;

Whereas the owners of car dealerships made large investments and other sacrifices in establishing and building their businesses, sometimes for generations;

Whereas the global financial collapse affected every industry dependent upon consumer purchasing, and none more so than new car sales;

Whereas General Motors and Chrysler entered bankruptcy proceedings and dissolved numerous dealership franchises claiming doing so was needed to preserve the manufacturers' long-term viability;

Whereas many of the dissolved dealerships had histories of strong sales, even up until their dissolution;

Whereas many of the dissolved dealerships wished to stay in business;

Whereas experienced dealerships provide expertise and leadership for the manufacturer they represent;

Whereas the dissolved dealerships had an innate value in reputation, brand, and territory;

Whereas upon dissolution this value was transferred to remaining franchisees for no consideration;

Whereas the Federal Government now owns a significant interest in both General Motors and Chrysler; and

Whereas Congress recognizes the inherent unfairness, without sufficient process, of the dissolution of these franchises:
Now, therefore, be it

1 *Resolved by the House of Representatives (the Senate*
2 *concurring)*, That it is the sense of Congress that the
3 President should work to find creative and constructive

- 1 remedies that are mutually beneficial to both the auto
- 2 manufacturers and injured parties.

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