

H. Res. 713

In the House of Representatives, U. S.,

May 19, 2010.

Whereas auto dealers have deep roots in local communities and have helped manufacturers with long-term customer relationships that create brand loyalty and maintain customer convenience;

Whereas dealerships across the country provide jobs, give direct investments to local economies, and supply tax revenue to State and local governments;

Whereas virtually all new cars and light trucks bought in the United States are sold through franchised dealers;

Whereas dealers are independently owned, and combined, represent the largest retail business in the United States, with approximately \$693,000,000,000 in revenues in 2007;

Whereas auto dealers are significant employers in local communities across the country;

Whereas franchised dealers employ over 1,100,000 people, comprise nearly 20 percent of all retail sales in the United States, and, in total, pay billions annually in state and local taxes;

Whereas the Nation's 20,700 independent franchised new car dealerships comprise an industry that is largely privately

held, with private ownership accounting for 92 percent of the market;

Whereas the franchised dealership system in the United States is the independent link between the manufacturer's assembly line and the consumer and its functions include, but are not limited, to the following—

- (1) selling the product and providing information for consumers;
- (2) holding vehicle and parts inventory;
- (3) performing service and providing parts to fulfill manufacturer warranty obligations;
- (4) handling product safety recalls;
- (5) facilitating the exchange of used vehicles; and
- (6) arranging financing for consumers;

Whereas some restructuring of dealer networks was in the public interest and necessary to increase the competitiveness of automobile manufacturers;

Whereas the economic downturn put thousands of jobs at risk, including those at automobile dealerships and automobile manufacturers; and

Whereas auto dealers will play a key role in any effort to revive the United States auto industry: Now, therefore, be it

Resolved, That—

- (1) the House of Representatives recognizes the significant contributions of United States automobile dealerships; and

- (2) it is the sense of the House of Representatives that automobile dealerships which have been successful and are being closed not of their own doing, but instead

as a function of the auto market as a whole, should be given consideration to obtain a dealership franchise when the automobile market rebounds and stabilizes.

Attest:

Clerk.