

111TH CONGRESS
1ST SESSION

H. RES. 713

Recognizing the significant contributions of United States automobile dealerships, and expressing the sense of the House of Representatives that in the interest of equity, automobile dealers whose franchises have been terminated through no fault of their own be given an opportunity of first consideration once the auto market rebounds and stabilizes.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2009

Mr. AL GREEN of Texas (for himself and Mr. HENSARLING) submitted the following resolution; which was referred to the Committee on Energy and Commerce

RESOLUTION

Recognizing the significant contributions of United States automobile dealerships, and expressing the sense of the House of Representatives that in the interest of equity, automobile dealers whose franchises have been terminated through no fault of their own be given an opportunity of first consideration once the auto market rebounds and stabilizes.

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 for a push oriented manufacturing system;
- (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 necessary to increase domestic competitiveness, certain United States auto manufacturers' decisions to close a combined 1,900 automobile dealerships, many of which were successful, put thousands of jobs at risk; and

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

1 *Resolved, That—*

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

5 (2) it is the sense of the House of Representa-
6 tives that a quantifiable number of automobile deal-
7 erships which have been successful and are being
8 closed not of their own doing, but instead as a func-
9 tion of the auto market as a whole, should be given
10 an opportunity to obtain a dealership franchise when
11 auto manufacturers seek new partners to open fu-
12 ture dealerships in their respective geographic areas.

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