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## ***SENATOR CARDIN CO-SPONSORS BILL TO SAVE AUTO DEALERSHIPS***

WASHINGTON – **U.S. Senator Benjamin L. Cardin** (D-MD) has co-sponsored legislation to save local auto dealerships by requiring Chrysler and General Motors (GM) to continue to honor their commitments to auto dealers. The *Automobile Dealer Economic Rights Restoration Act of 2009* (S. 1304) would require that auto manufacturers in which the federal government has ownership interest continue to honor their commitment to the dealers and not deprive the dealers of their economic rights.

In May, GM and Chrysler arbitrarily notified more than 3,000 dealers nationwide, including 30 Maryland dealers, that their relationship was ending, essentially leaving these dealers with millions of dollars invested in car stock and with no options for consolidation and little leverage for liquidation. At that time, Senator Cardin joined with Senator Barbara A. Mikulski in writing to Treasury Secretary Timothy Geithner to urge that the federal Auto Task Force obtain more information about the decision of auto manufacturers to close dealerships.

“I have met with many Maryland auto dealers and these dealers are mostly small business owners who operate at no cost to the car companies. Many of them are the mainstay of their communities providing jobs and supporting community projects and priorities,” said **Senator Cardin**. “We should not allow the arbitrary action of the automakers to skirt state law and void legitimate contracts with auto dealers.”

The *Automobile Dealer Economic Rights Restoration Act* would:

- Restore the economic rights of General Motors and Chrysler car dealers as they existed prior to each company’s bankruptcies;
- Preserve General Motors and Chrysler car dealers’ rights to recourse under state law;
- Require General Motors and Chrysler, at the request of affected dealers, to reinstate franchise agreements in effect prior to each company’s bankruptcies; and,
- Make 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.

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