

EDITOR'S NOTE: Senator Cardin writes periodic columns for Maryland publications. The following column about legislation he has co-sponsored that would help Chrysler and GM auto dealers may be of interest to your readers. Please contact Susan Sullam at susan_sullam@cardin.senate.gov if you have any questions.

PRECEDE: Senator Cardin is a member of five Senate committees: Foreign Relations, Judiciary, Environment and Public Works, Budget, and Small Business and Entrepreneurship. His web site is: cardin.senate.gov. He also can be found at YouTube.com/SenatorCardin

AUTO DEALERS GOT A RAW DEAL FROM CHRYSLER AND GM

By U.S. Senator Benjamin L. Cardin

In May, Chrysler and General Motors (GM) announced they were closing more than 3,100 auto dealerships nationwide, including 30 in Maryland. Since then, I have met with a number of Maryland auto dealers who have talked to me about the arbitrary and capricious nature of the decision by the automakers to close their dealerships.

I agree with them. I see no reason for Chrysler and GM to have taken this step, particularly since these dealers are mostly small business owners who operate at no cost to the car companies. For that reason, I have co-sponsored the *Automobile Dealer Economic Rights Restoration Act of 2009* (S. 1304). This legislation would help save local auto dealerships by requiring automakers in which the federal government has an ownership interest to continue to honor their commitment to the dealers and not deprive them of their economic rights.

When GM and Chrysler notified more than 3,100 dealers nationwide that their relationship was ending, the auto companies essentially left these dealers with millions of dollars invested in inventory, with no options for consolidation and little leverage for liquidation. At that time, I joined with Maryland 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 the auto manufacturers to close dealerships.

Closure of these dealerships will have a profound effect on many communities. Many of these auto dealers are the mainstay of their communities, providing jobs and supporting local projects and priorities. I do not believe we should allow the arbitrary action of the automakers to skirt state law and void legitimate contracts with auto dealers.

Key provisions in S. 1304 would restore the economic rights of GM and Chrysler car dealers as they existed prior to each company's bankruptcies and preserve GM and Chrysler car dealers' rights to recourse under state law.

I realize that the auto companies are faced with difficult financial decisions, but the

solution should not be to force the closure of thousands of dealerships and the loss of thousands upon thousands of jobs. The dealerships are not the reason these car companies are in financial trouble.

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