

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
ENVIRONMENT AND
PUBLIC WORKS
HEALTH, EDUCATION,
LABOR, AND PENSIONS
BANKING, HOUSING,
AND URBAN AFFAIRS
BUDGET

Fritz Henderson
CEO
General Motors Corporation
P.O. Box 33170
Detroit, MI 48232-5170

James Press
President
Chrysler LLC
PO Box 21-8004
Auburn Hills, MI 48321-8004

June 11, 2009

Dear Messrs. Henderson and Press,

As part of your bankruptcy restructuring GM and Chrysler have both decided to reduce the number of dealerships that sell your brands. While I believe it would have been preferable to let the market decide which dealers closed their doors, I realize that it is within your rights to make these choices. However, I am concerned about the impact these closures will have, not only on the dealers themselves, but also on the communities they in which they do business. I believe these dealerships should be adequately compensated for the termination of their contracts to minimize harm to their business and their community.

In Oregon, many dealerships have been in operation for almost a century and most are family owned. These small businesses have employed local Oregonians, donated to community little league teams and organizations, and sold and serviced the vehicles of their neighbors. For these small businesses, the orders to close their dealerships mean the loss of their life's investments. These dealers now have little choice and face a difficult and uncertain financial future.

As a United States Senator, I made a hard decision to vote for the release of the Troubled Asset Relief Program (TARP) monies that are being used to bailout GM and Chrysler. Now, despite the billions of taxpayer dollars invested in GM and Chrysler, your companies are terminating

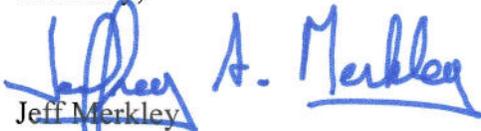
contracts with small businesses without adequate compensation. Taxpayer dollars were given to ensure not only that GM and Chrysler become financially stronger, but also so that the related industries and workers are able to withstand these difficult economic times. After receiving this government support, I would expect GM and Chrysler in turn to support the dealers who have sold and serviced their cars and trucks for decades.

While GM is offering some compensation in the form of rental assistance, the assistance comes with many strings attached giving dealerships little choice and no ability to negotiate the terms. Chrysler has not offered any compensation to its dealers. I find this unacceptable.

I strongly urge you to develop fair compensation policies for dealerships and the affected communities. Your companies have changed the terms of the contracts on which the dealerships relied and have not adequately compensated them for losses due to this termination.

When the U.S. taxpayers invested in your companies, we expected you to use them wisely and fairly as you strengthen your companies. I strongly advise you to reevaluate your compensation plans for dealerships and to treat your franchises with fairness and compassion.

Sincerely,

A handwritten signature in blue ink that reads "Jeff A. Merkley". The signature is stylized and written over a printed name.

Jeff Merkley

United States Senate

Cc: Treasury Secretary Timothy Geithner