

United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

June 9, 2009

Mr. Fritz Henderson
Chief Executive Officer
General Motors Corporation
300 Renaissance Center
Detroit MI 48234

Dear Mr. Henderson,

Thank you for your testimony before the Committee on June 3, 2009. As evidenced by the questions during the hearing, there are many concerns about the treatment of General Motor's (GM) dealers as part of the bankruptcy and restructuring process. We understand the challenges to creating a viable and competitive GM, but the treatment of dealers targeted for closure is unwarranted. There are a number of issues that we think are essential for you to address in a manner that recognizes to the greatest extent possible the rights of those affected by the restructuring.

Bankruptcy and Waiving Legal Rights

While GM has provided a longer wind-down period than Chrysler for those franchises selected for termination, we are concerned that GM is using its bankruptcy protections as a sword against its dealers. As described in testimony during the hearing and other dealer accounts, you are forcing both the terminated and the continuing dealers into onerous contracts in which the dealerships surrender their most significant protections under state law and accept undisclosed future demands — or face immediate termination. This practice is unjust and we request that you stop this abuse of the bankruptcy process.

Dealer Terminations and Market Re-entry

In addition to the testimony delivered at the hearing, we have received numerous accounts of terminations of profitable dealerships where it appears GM intends to establish a new outlet in the same area, but with a different owner. We think— in the interest of fairness — that profitable dealers in this situation should have a right of first refusal for the new dealership when GM returns to that particular market. We ask you commit to us — and in writing to the dealerships — that these dealers will be given that right.

Consumer Protection

We have heightened concerns about GM abandoning its legal obligation to customers that have been injured or killed by one of its defective products. The New GM has a continued responsibility to recall and repair vehicles manufactured by old GM. New GM's request for liability protection creates an unjust and illogical dichotomy in which the company is responsible for removing and repairing a vehicle defect, but would not be

responsible for the injuries and deaths caused by that very same defect. The rights and responsibilities GM owes to its customers do not end with an arbitrary date. We insist that you fulfill its obligations to injured customers and their families. We request that you consent to assuming the obligations of the Old GM.

Consumer Access to Service in Rural Areas

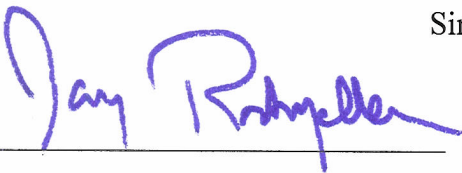
We are very concerned about the access of consumers in rural areas for their vehicles to be serviced under warranty and service contracts. Consumers should not have to travel unreasonable distances just to have their vehicle serviced in a certified service center. We ask that you develop a plan to ensure that consumers, particularly in rural areas, have reasonable access to "Service Only Centers" where their warranties and service contracts will be honored.

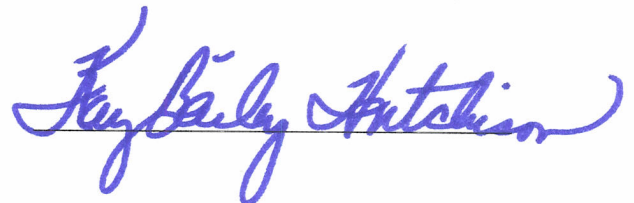
Placement Assistance for GM Technicians

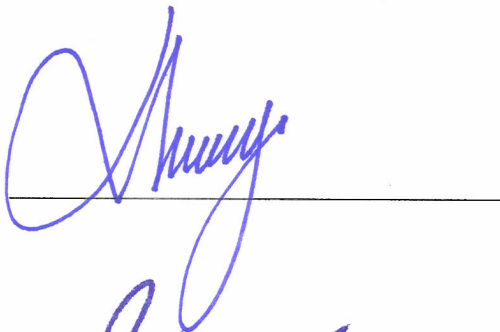
As a result of the franchise terminations, there will be GM-specific technicians and mechanics who will lose their jobs and have limited opportunities for re-employment. The Committee requests that you develop a plan for the new company to aid the displaced technicians and mechanics to the greatest extent possible.

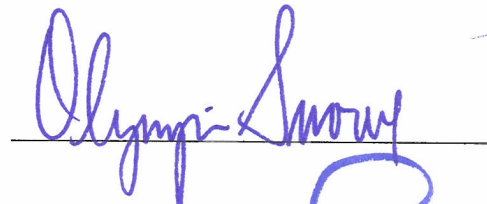
We appreciate your immediate attention to these important issues. The Committee asks that you respond to these requests by June 12, 2009. We thank you in advance for your efforts to improve the treatment of these dealers in this difficult process.

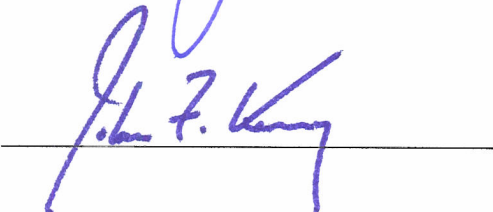
Sincerely,

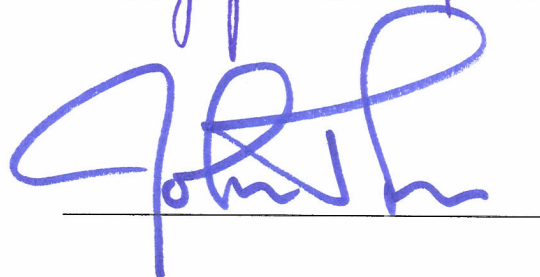


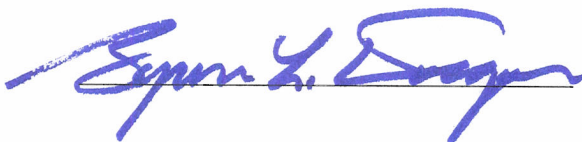


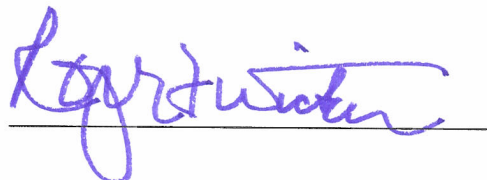












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