

### ***Seeks Information on Dealership Closure Decisions***

(WASHINGTON, D.C.) - Rep. Mike Coffman (R-CO) today officially requested that the House Committee on the Judiciary subpoena documents from General Motors and Chrysler related to internal decisions about closure of automotive dealership franchises.

Seeking to clarify how and why the companies chose to close specific franchises, Coffman's request comes in advance of a committee hearing slated for July 21, 2009 on the impacts of the auto industry bankruptcies.

"The recent government bailout and subsequent takeover of automotive manufacturers by the government means this issue now warrants public scrutiny. The bankruptcies of GM and Chrysler have allowed these companies the ability to shed themselves of the obligations they had entered into through franchise agreements with countless dealerships across this country," Coffman stated in the letter sent to House Committee on the Judiciary Chairman Steve Cohen (D-TN) and House Committee on the Judiciary Ranking Member Trent Franks (R-AZ).

Coffman has maintained that the criteria used to determine which dealerships were chosen for closure remains unclear. Coffman believes that when considering the number of jobs lost, and profitable dealerships closed, the release of documents explaining these decisions is paramount.

"The very criteria used to determine which dealerships survived while others were sacrificed remains shrouded in mystery. The release of these documents would clearly outline the procedures used when making these determinations, and whether they were made legitimately, haphazardly, or as a means of retribution."

A copy of the letter is below:

Chairman Steve Cohen  
House Committee on the Judiciary  
Subcommittee on Commercial and Administrative Law  
2138 Rayburn HOB  
Washington, DC. 20515

Ranking Member Trent Franks  
House Committee on the Judiciary  
Subcommittee on Commercial and Administrative Law  
2142 Rayburn HOB B-351  
Washington, DC. 20515

July 15, 2009

Dear Chairman Cohen & Ranking Member Franks,

In anticipation of the subcommittee's upcoming hearing on July 21, 2009, "Ramifications of Auto Industry Bankruptcies, Part II" I would like to take this opportunity to formally request that you use your authority under House Rule X to subpoena all appropriate documents from General Motors and Chrysler which will shed light on the criteria used to establish which automotive dealership franchises merited closure.

While the survival of automotive dealerships, and indeed all businesses, is normally a function of a free and competitive market, the recent government bailout and subsequent takeover of automotive manufacturers by the government means this issue now warrants public scrutiny. The bankruptcies of GM and Chrysler have allowed these companies the ability to shed themselves of the obligations they had entered into through franchise agreements with numerous dealerships across this country. While the elimination of some dealerships may indeed be an economic necessity, no adequate reasoning has been given for the need to close profitable dealerships. The very criteria used to determine which dealerships survived while

others were sacrificed remains shrouded in mystery. The release of these documents would clearly outline the procedures used when making these determinations, and whether they were made legitimately, haphazardly, or as a means of retribution.

I thank you in advance for your consideration of my request,

Sincerely,

Mike Coffman  
Member of Congress