



# CONGRESS OF THE UNITED STATES

June 11, 2009

**TOM LATHAM**  
Congressman  
4th District, Iowa

Fritz Henderson  
Chief Operating Officer & President  
General Motors  
300 Renaissance Center  
Detroit, MI 48265

Dear Mr. Henderson:

I am writing to express my disappointment at learning of the decision by General Motors to force the closures of numerous dealerships throughout the State of Iowa. I've grown increasingly concerned of the economic pain created by the General Motors bankruptcy for thousands of Iowa families who rely on jobs at dealerships and other support businesses as they are forced to close their doors. I am also troubled by the recent news that politics are poisoning the General Motors bankruptcy proceedings. News is surfacing that members of Congress are using their influence to shield GM distribution centers and dealerships in their congressional districts from closure.

According to a June 5, 2009 article in the Wall Street Journal, you reversed the forced closure of a GM distribution center in Norton, Massachusetts, that employs 90 people at the request of Congressman Barney Frank (D-MA). The article points out that after "Mr. Frank put in a call to GM CEO Fritz Henderson" a new lease on life was secured for the Norton facility. The article further notes that Congressman Frank discussed "the facility's value to GM."

Additionally, according to a June 9, 2009 story on Minneapolis television station WCCO's Web site, GM once again reversed the decision to force the closure of a Bloomington, Minnesota, dealership which employs 80 people after Senator Amy Klobuchar (D-MN) "set up a meeting with top GM executives" to request the reversal of the closure.

Perhaps there is an appeal process you are making available to the elected officials who represent the GM facilities and dealerships that are being forced to close. If that's so, then I'd like to formally request that you reconsider the closure of all the dedicated dealerships in the State of Iowa that are being forced to shutter their doors by GM.

If no such appeal process exists – and GM simply decided to bend to political pressure from Congressman Frank and Senator Klobuchar – then this situation highlights the possibility of government corruption and favoritism that would further taint an already mismanaged and painful bankruptcy proceeding.

While I do not take issue with the concerns expressed by Congressman Frank or Senator Klobuchar for the people affected by these issues, I am troubled by what

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appears to be a convenient path to relief through a hybrid bankruptcy exercise funded primarily with taxpayer dollars that voids auto dealer protections under state laws – and then the circumstantial or politically motivated reversals of decisions said to be in the interests of GM's revival. It is difficult for me to grasp the notion that, on the one hand, GM has said that "tough" business decisions have to be made, including the closure of dealerships, while on the other hand concessions to those tough decisions are being made when politicians request them.

At a time when Iowa communities are already struggling during this economic downturn, the forced job losses because of this decision by GM creates additional economic hardships for these loyal dealerships, their loyal owners, their loyal and dedicated employees, their loyal customers, the numerous small businesses and employees that work with these local dealerships, and the communities in which these local dealerships are located.

Local dealerships are a pivotal partner in the overall financial success of GM because 90% of GM's revenue comes from the hard work of dealerships and their loyal employees.

And, as you know, local dealerships do not place a financial burden on GM because the dealerships are responsible for paying their own way to represent and sell your brands. Local dealers are responsible for paying their employees, purchasing vehicles and parts directly from the manufacturer, and buying and maintaining their own sales centers. They even purchase the signs, logos, and brochures they proudly display on behalf of their partner and GM.

I look forward to discussing this matter with you personally and having Iowa dealerships, their dedicated employees and local communities be given the same quick and positive response afforded to the GM partners lobbied for by Congressman Frank and Senator Klobuchar.

Sincerely,

A handwritten signature in black ink that reads "Tom Latham". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Tom Latham  
Member of Congress

CC: Steve Rattner  
Counselor to the Secretary of the Treasury  
Department of the Treasury  
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