

*Forces General Motors and Chrysler to abide by franchise agreements*

Rep. Peter Welch supported and the House passed legislation Thursday night preventing General Motors and Chrysler from arbitrarily closing car dealerships as part of their restructuring efforts.

Welch cosponsored the Automobile Dealer Economic Rights Restoration Act (H.R. 2743), which forces car manufacturers to abide by their contracts with local dealer franchises in order to complete the bankruptcy process. GM and Chrysler have sought to close 3,000 dealerships nationwide - including roughly three dozen in Vermont. Dealerships account for 7.5 percent of all retail jobs in Vermont.

H.R. 2743 was incorporated into the Financial Services and General Government Appropriations Act (H.R. 3170), which passed the House on a vote of 219-208 Thursday night. The Senate has yet to act on a corresponding bill.

"Car dealerships serve as the backbone of many Vermont communities, providing good jobs and supporting local economies. By arbitrarily terminating franchise agreements with local dealers, GM and Chrysler are not saving themselves money. Instead, they are simply passing on the economic pain to loyal partners," Welch said. "All we are asking is for manufacturers to abide by longstanding agreements and treat local businesses fairly."

Welch questioned the CEOs of GM and Chrysler in June when they testified in front of the House Committee on Energy and Commerce. [Click here](#) to watch Rep. Welch's statement during the hearing, and [click here](#) to watch Rep. Welch questioning the CEOs.