

# DealersEdge

## Did LaNeve's letter to GM dealers backfire?

*Opposition to dealer closings builds in Congress and Statehouses*  
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### DealersEdge Daily Headlines

Mark LaNeve should have known what was coming when he sent that letter to GM dealers asking them to support the factory's plans to terminate 1,300 of their fellow entrepreneurs.

A groundswell of opposition at the state and federal level has formed in an attempt to thwart GM's plans.

The *Detroit News* notes that 132 congressional representatives have signed on as co-sponsors of a bill that would not only slow GM's plans but also seek to reopen the cases of the 789 Chrysler dealerships that closed last week. Even Barney Frank is siding with the auto retailers.

The Nebraska attorney general, according to the *Lincoln Journal Star* and the *Aurora News Register*, is urging other state attorneys general to oppose the way GM is working to cut stores. He says the factory is ignoring state franchise laws and unlawfully coercing GM dealers to give up their rights. Furthermore, he wrote, GM's wind-down and participation agreements are "a possible violation of the antitrust laws."

Last week, the Texas attorney general filed an objection to GM's bankruptcy plan with the U.S. Bankruptcy Court.

Texas argued that GM and its subsidiaries "have abused their bankruptcy-enhanced bargaining power and forced their dealers to waive state laws designed to protect them from such oppressive acts."

Meanwhile, the White House's top economic adviser says Congress shouldn't try to limit the ability of General Motors to close dealerships. Larry Summers, the White House's chief economic adviser, said in an interview that Congress shouldn't interfere in the running of GM and Chrysler.

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