

# United States Senate

COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

November 19, 2009

Mr. James Press  
President  
Chrysler LLC  
1000 Chrysler Drive  
Auburn Hills, MI 48326

Dear Mr. Press,

We are writing to request an update on the assurances you provided the Committee in June regarding issues related to Chrysler's restructuring process and related dealership terminations. We are also very interested in receiving an update on the negotiations that have been ongoing between Chrysler and its dealers during the past several weeks.

Given the federal government's ownership stake in Chrysler, it is our shared obligation to ensure all impacted dealers are treated as fairly as possible. We continue to urge you to take all actions necessary to uphold the assurances you provided earlier, as well as to achieve a mutually agreeable and timely outcome to the negotiations between Chrysler and the dealers.

## Vehicle Parts and Inventory

In your letter to the Senate Commerce Committee dated June 12, 2009, you committed to help dealers redistribute their parts inventory and special tools. You also said Chrysler would buy back any remaining parts at the average transaction price for all parts already distributed. It is our understanding that some dealers still await payment for their redistributed vehicles and many have parts and tools that have not been redistributed or repurchased. Please update us on your plan to repurchase any remaining parts and special tools from terminated dealers, and provide an expected timeline for resolution of all outstanding inventory, average transaction price paid to dealers for parts, and the methodology used to arrive at that figure.

## Market Re-Entry

In your June 12, 2009, letter, you stated that Chrysler would provide terminated dealers the right of first refusal for any new dealerships that opened in the same location as the previous dealership. Has this, or is this, expected to occur? If so, have previous dealership owners been notified of such action?

## Closing Decision Transparency

In that same letter, you pledged to provide dealers with information explaining how the dealership closing decisions were made. How many dealerships have received this information? We request that all dealerships be provided this information, not solely the ones that inquired.

Rural Customer Service

Chrysler assured the Committee it would weigh the possibility of "companion facilities" to handle customer service needs affected by dealer closings. It is important that customers not be saddled with an extra burden of traveling long distances to have their vehicle serviced. Please update us on the status of this consideration and any results this examination has on market re-entry.

Chrysler Technician Placement Assistance

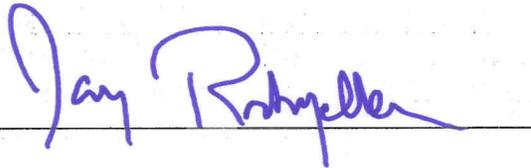
Also in your June 12, 2009 letter, you discussed placement assistance plans for Chrysler-trained mechanics. What steps have you taken to assist mechanics who were displaced from their job as a result of the dealership closings?

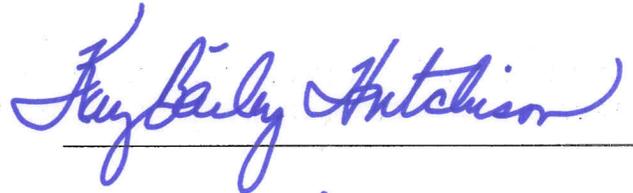
Dealer Negotiations

Please provide us with a detailed update on the ongoing negotiations between Chrysler and the dealers, informing us of any agreements that have been reached. In addition, please identify any outstanding matters, and explain how you intend to resolve those issues and the expected timeframe.

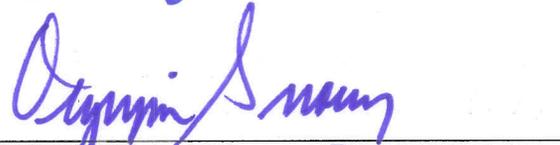
As you know, Chrysler's unprecedented bankruptcy has greatly impacted dealers, consumers, employees, small businesses, and communities across the country. It is crucial that outstanding issues be resolved as expeditiously and efficiently as possible to provide the least amount of hardship to both Chrysler and its dealers. We appreciate your continued attention to these issues and look forward to your response.

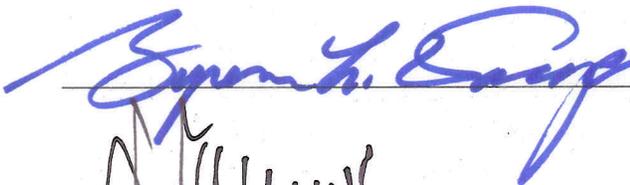
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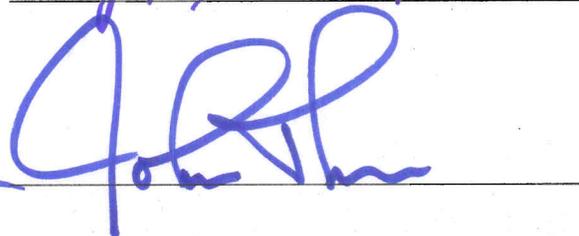
  
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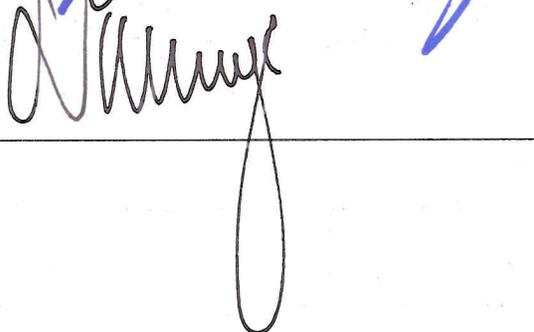
  
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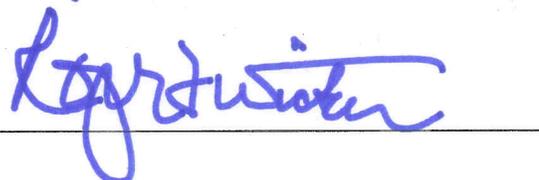
  
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