

To the Editor:

Last month President Barack Obama signed into law legislation providing for an arbitration process for General Motors and Chrysler dealers who received termination notices last year in connection with the automakers' bankruptcy proceedings.

Clearly, many dealers were hastily sent termination notices without reason or recourse by manufacturers whose survival was in peril.

To its credit, GM has responded to the legislation by putting an arbitration system in place and pledging to restore the franchises and rights of dealers terminated without due cause. Unfortunately, the same cannot be said for Chrysler.

Recent comments by Chrysler Group CEO Sergio Marchionne and his statement that the company might file suit to stop the arbitration are wrong on so many levels. First, isn't it ironic that a company surviving solely on taxpayer money provided by Congress might use that money to file suit to stop an action passed by Congress?

Second, many of the dealerships that were terminated were profitable and successful in spite of dismal market conditions, yet Chrysler has refused to say why the dealerships were terminated.

Third, 789 dealerships were terminated in June. Right now, Chrysler needs to focus on selling every car it can. Isn't it obvious that the rapid and precipitous removal of so many sales outlets caused the company to lose volume?

Furthermore, at this point, many of the terminated dealerships cannot and will not be reinstated for a variety of reasons; many don't exist anymore. What we really are talking about here is providing adequate compensation for the franchise value taken.

I worked in the car business for 25 years, many of those years as a dealer. I understand how overdealering can hurt the strength of existing dealerships. But the horrible market conditions of last year were putting many GM and Chrysler Group dealerships out of business by attrition

every month. The manufacturers didn't need to do what they did. And it was done in a capricious, secretive and unfair manner. That's why Congress correctly took action.

I strongly urge Chrysler management to proceed with the arbitration as Congress has mandated.

After all, the arbitration will require reinstatement or compensation only if the termination was without justification.

To deny or challenge this equitable act will likely make Chrysler's relationship with Congress even worse than its relationship with the group responsible for the sale of its products -- dealers.

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