

Changing Auto Committee
Testimony by Parma Mayor Dean DePiero
August 18, 2009
Lorain County Community College

- I have spoken to profitable, dedicated car dealers in the Parma area who have been ordered to close their doors. I can honestly say their reaction has been a combination of anger, shock, disbelief, devastation and especially un-American! They're asking, "How can this be allowed to happen?"
- Chrysler is closing about 50 dealerships in Ohio – more for GM – and the downsizing will have a tremendous economic ripple effect in cities everywhere, especially traditional blue collar communities like Parma.
- Dealers I spoke with are losing employees, losing money and they have no safety net. The banks won't return their calls! They are being look upon as bad business people, and that is not true.
- It was the automakers that filed for bankruptcy – not the dealerships – yet they are suffering the most – and cities across America will suffer right along with them.
- These dealers have invested in people – in parts – and in buildings – they lost millions – and no one seems to care. But mayors like me must care because these dealers provided our cities with good paying jobs and tax revenue to benefit our communities and its residents.
- Many if not most of the Parma dealers were profitable – they have been in business for 80, 90, 100 years – and they represent the fabric of our community that is now being ripped apart for no reason other than to bail out Chrysler and GM.
- A GM spokesman said, "The Company chose to close its poorest performers, stores that had already received warnings for falling behind in sales or customer service." That is simply not true! Dealers call it "the big lie." Many if not most of the dealers in my city are good business people, loyal to their customers and loyal to their community.
- Again, the ripple effect of the dealer closings is difficult for any of us to comprehend.

- Under Ohio Law, the car dealers in this state and those across the country are entitled to DUE PROCESS – an opportunity to dispute claims of mismanagement with their business and their customers. But they have been denied hearings before the Ohio state motor vehicle board – a common practice for decades!
- The objective of fewer dealers selling more cars to a higher class of customers is a fallacy. Fewer car dealers mean fewer jobs, less income for more Americans, and lower tax income for countless communities like Parma.
- I cannot afford to let that happen without objection. That is why we must all “do the right thing,” and that is to support legislation in congress that would block widespread auto dealer closures, reverse the process of putting good businesses out of business, and restore basic free enterprise rights to our neighbors and friends – the loyal and profitable car dealers in America.
- These dealers did nothing wrong. That is why we cannot just stand by without helping them as they have helped our cities and towns. If not, I have to wonder what’s next – what profitable employer in my city will be next – told to shut down for no apparent reason other than to magically erase the mistakes of its parent company or corporation.
- That way of doing business is not only unfair – it truly is un-American. Unless we “stop the bleeding” and reverse this process, our cities and its residents will be the biggest losers of all.