

Statement of Robert S. Thomas testimony before HOUSE ENERGY AND COMMERCE COMMITTEE, SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS, Friday, June 12, 2009

On May 15<sup>th</sup>, I received an **unsigned** letter from General Motors by FedEx delivery. The tone of the letter was **vague** and referred to criteria but not to specific methodology neither stating the relative importance nor how great a period of time was being referenced.

In general, the letter stated, “We don’t think we will be able to renew your contract in October, 2010. This is not final; submit what you like by the end of the month to this **email address...**”

The significance of this letter became clear on June 2, when the content of the vague letter had been construed into the offer of a **Wind Down Agreement**.

In a GM press conference on May 15, at about the time the first letters were being opened, reporters were told that few changes would be made to the original list of 1100 dealers. The first letter was **disingenuous; no real appeal would be allowed**.

The period of review apparently lasted from **midnight May 31, until June 1**, the date of the letter and wind down agreement we received by FedEx on **June 2**.

The agreement offered on the 2<sup>nd</sup> had to be returned in time to arrive in Detroit by the 12<sup>th</sup>, a scant **10 days** to decide one’s options, to confer with professionals regarding unprecedented legal matters and loved ones about our financial and professional future.

Testimony:

My grandfather, Walter Coombs, immigrated to the U.S. in 1900 and by 1918 had established himself as the Chevrolet dealer in Bend, Oregon. His daughter, Dorris, married my father, Robert W. Thomas, and he was the dealer until 1982, when I succeeded him.

Our family has operated this dealership by the **strictest of ethical guidelines** and **highest level of customer service**. My father and I both served as officers in the United States Marine Corps. He attained the office of general and I of captain.

Our company, Bend Garage Co, dba **Bob Thomas Car Company**, has woven itself into the social fabric of our community since the time it was a village. Our family has provided automobile sales and service, civic leadership and community involvement every year continuously--- **since 1918!**

These are hard times for Bend (unemployment above 16%), but not as difficult as those we survived in the Great Depression and two World Wars. General Motors has been with us the whole time – from 1918 forward.

We have **BEEN** GM to our community. Now, it is a dark time when GM must abandon our town, our region and us. Just as GM is an American, if not world icon, **WE** enjoy iconic status in our region---always there, always helpful and compassionate, always acting responsibly and doing the right thing.

The over 300 letters we garnered in a 24-hour period in support of our appeal to GM were humbling in their appreciation of our caliber and quality of service and community support. Moreover, there was confusion as to why Bend, now 80,000 strong, the largest dealership in the central and eastern part of our state, will be abandoned as will WE, their dealer of choice.

Their world is crumbling. Things they thought they could count on are being taken away...long standing reliability, integrity, a safe harbor. In a very real sense, they are afraid.

Who benefits from this taking, this cancellation that is so unnecessary, so wrong, so wrongly executed?

Not the 216,000 people in our region who are left solely with a small GM dealer in a tiny town at its perimeter, with limited inventory and repair capacity.

Not our community, who has relied on us always to generously support its activities.

Not our employees, who are highly trained to work on sophisticated GM products like Cadillac and Chevrolet, and serve clientele with courtesy and compassion.

Not our customers, who bought our products thinking, like we did, that we would be here forever.

That's our business model, the longest term you can imagine. **ALWAYS DO IT RIGHT**, never take shortcuts. Be here for the long haul. Earn the loyalty of your clientele and they will reward you with long term patronage.

Over the years, that's been GMs business model, too, and we were a good fit for 91 years– **until we got cut from the team.**

Why are these cuts necessary? I recently attended a meeting of letter recipients in Oregon. Who was there? A room full of respectable business people with whom I have attended GM meetings for 30 years. Obviously, they are able business people to have survived, as have we.

The marketplace should be the sole arbiter of which dealers should fall by the wayside, not the arbitrary acts of well meaning administrators.

I enclose our appeal to remain a GM dealer and our supporting materials, and invite you to peruse it yourselves. You will find our conclusions and justifications are compelling when viewed through the eyes of now and prospective GM customers.

Having no GM dealer in our town of 80,000 will not increase GM sales.

If the plan is to replace us with another GM dealer, why have we been deprived of the opportunity to make such a transaction, with their approval? Will our market be awarded to a GM favorite or insider??? This would seem to be an **unreasonable and wrongful taking of a valuable asset**, nurtured through the years only to be snatched away by an overreaching at a moment of opportunity inside the bankruptcy.

And what of the inventory that remains? In our case, some **4 million dollars**, the value of which could shrink by a million or more from what we paid. Over a years' supply of GM cars await our sale. A **half million dollars** of parts cannot be returned.

Our orders were accepted within days prior to our receipt of the non-renewal letter. Had we known our fate, our inventory would be been far less than it is presently. We planned long-term and we have been caught by circumstance.

What I would hope for in such a dire circumstance would be a request of **REASON**. **Allow us to provide support for those GM customers in our region and relieve us of the inventory obligations we incurred in good faith, by repurchasing at what we paid.**

**This is a small price to pay for potentially depriving a long and faithful associate of its livelihood.**

Respectfully submitted,  
Robert S. Thomas