



NEWS RELEASE From Mayor Dean DePiero

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PARMA MAYOR APPLAUDS GM FOR RECONSIDERING DEALERSHIP CLOSURES

(PARMA) -- Parma Mayor Dean DePiero praised the decision by General Motors to reconsider closing dealerships that have shaken the local economy in Parma and other cities nationwide.

“We met previously with the owners of the Spitzer, Bigelow and Axelrod dealerships in Parma to voice our support for them,” said Parma Mayor Dean DePiero. “It made absolutely no sense to close any profit-making operations with great reputations in the community and within the corporation. We’re hoping for the best.”

GM told the Associated Press it will reconsider its decision to close some dealerships as part of a compromise to prevent federal legislation that would require it to keep dealerships open. GM says it will conduct face-to-face reviews with dealerships and offer binding arbitration with those who face closure of their showrooms.

In August, Mayor DePiero testified in Lorain before a committee of Ohio lawmakers on the negative economic shockwaves following car dealership closings in northeast Ohio. The Joint Select Committee on the Impact of the Changing Automobile Industry in Ohio heard from mayors, car dealers and others on how to improve the business climate, reverse layoffs and protect the economy. Their findings were presented to Governor Ted Strickland.

“I stand by what I said last summer,” said Mayor DePiero. “The ripple effect of dealership closings has had a devastating impact on our local economy – from job loss to lost tax revenue to the bottom line of seeing good businesses partners in our city being forced to shut down.”

Mayor DePiero said the biggest mistake made in reorganizing the nation’s auto industry was forcing profitable, local dealers to close after decades in business. He says they were blindsided and wrongly targeted by GM with no recourse for appeal.

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“I spoke to profitable, dedicated car dealers in the Parma area who were ordered to close their doors,” said Mayor DePiero. “I can honestly say our collective reaction has been a combination of anger, shock, disbelief and devastation. From the start, I have questioned this misguided way of doing business – it is both unfair and un-American!”

Lawmakers have warned that if some type of compromise agreement isn't reached, legislation would move forward to deal with the closures. Most of the Senate Commerce Committee wrote a letter two weeks ago to Chrysler and GM seeking more information about the talks and warning that dealers should be treated fairly.

Talks brokered by Congress between the dealer groups and the automakers began in September, but had stalled over disagreements over factors like the review process for dealers slated to close.

The federal government holds a majority stake of GM and 10 percent of Chrysler.

“More than ever, we need to keep our support strong for our local dealerships,” said Mayor DePiero. “Now is the time to call on GM to do the right thing – reopen the dealerships that were closed and put our people back to work!”

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