

March 2, 2011

Jim Bunnell  
General Manager Sales Support  
General Motors Company  
300 Renaissance Center  
Detroit, MI 48265

Dear Jim:

As a member of the Virginia Auto Dealers Association Board of Directors and NADA Industry Relations Chairman for General Motors, I have been asked by the VADA Legislative Committee to communicate with you concerning legislation recently passed by the Virginia General Assembly.

GM's action in terminating the EBE program in response to this legislation concerns all Virginia GM dealers. The VADA has been clear in its intention that these bills do not impact EBE. At the request of your lobbyists, an amendment was made to the original language that we feel clarified that point.

Again, we had no intention of affecting EBE with these bills. And to that end, we would offer the attached clarification that the legislation does not impact this program, making its termination unnecessary. The bill's patron has been a part of crafting this solution and is prepared to ask the Governor to amend the bill in this manner.

As this is the stated concern of General Motors, this amended language addresses that clearly so that there is no reason that General Motors can claim the EBE program is undercut by the state statute.

We would appreciate your consideration of this simple solution and would ask that you respond by March 15<sup>th</sup> in order that we can make the necessary amendment with the Governor's office.

Thank you.

Sincerely,



Michael C. Martin

Proposed Amendment to HB 1696 and SB 1191

*2c. To coerce or require any dealer, whether by agreement, program, incentive provision, or otherwise, to construct improvements to its facilities or to install new signs or other franchisor image elements that replace or substantially alter those improvements, signs, or franchisor image elements completed within the preceding 10 years that were required or approved by the manufacturer, factory branch, distributor, or distributor branch or one of its affiliates. If a manufacturer, factory branch, distributor, or distributor branch offers incentives, or other payments under a program offered after the effective date of this subdivision and available to more than one dealer in the Commonwealth that are premised wholly or in part on dealer facility improvements or installation of franchisor signs or other franchisor image elements, a dealer that constructed improvements or installed signs or other franchisor image elements required by or approved by the manufacturer, factory branch, distributor, or distributor branch and completed within the 10 years preceding the program shall be deemed to be in compliance with the program requirements pertaining to construction of facilities or installation of signs or other franchisor image elements that would replace or substantially alter those previously constructed or installed within that 10-year period. This subdivision shall not apply to a program that provides lump sum payments to assist dealers in making facility improvements or to pay for signs or franchisor image elements when such payments are not dependent on the dealer selling or purchasing specific numbers of new vehicles **and shall not apply to a program that is in effect with more than one dealer in the Commonwealth on the effective date of this subdivision.***