

United States Senate

WASHINGTON, DC 20510

June 25, 2009

Steven Rattner
Director
White House Auto Task Force
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Mr. Rattner,

We write to raise several questions regarding the bankruptcy and restructuring of General Motors (GM). We recognize the extraordinary complexities and challenges inherent in such a restructuring, and commend the Administration's Auto Task Force for their diligent work. However, we have heard a number of concerns regarding the treatment of certain stakeholders in the restructuring process, and we seek clarification on how those concerns will be addressed.

We understand that the original restructuring agreement provided that the "New GM" would not be subject to tort and product liability claims arising out of the "Old GM's" activities. As was pointed out by numerous state attorneys general and other commentators, this outcome would deny fair recovery to innocent consumers who are injured by defects from the over 30 million GM vehicles currently on American roads. It is our understanding that the restructuring agreement will be modified to provide that the New GM will be subject to future product liability claims based on products sold by GM before its restructuring. We welcome that change. However, we have several additional questions on this and other issues:

1. To what extent does the proposed reorganization indemnify individual dealerships from the potential liability and legal fees associated with claims based on variations in state statutes, some of which permit consumers with valid product liability claims to recover compensatory damages directly from dealers?
2. We understand that the New GM plans to open dealerships in territories previously served by dealers who were recently forced to close their dealerships, despite the dealerships' demonstrated profitability. How will the Auto Task Force work with the New GM to help former dealers re-enter the dealership network in a way that is consistent with the best interests of the New GM and the long term interests of the American taxpayer?
3. What will be the process for resolving pending and future worker compensation claims against GM before and after the restructuring?
4. Will the future product liability claims referred to in the revised restructuring agreement be construed to include product liability claims stemming from exposure to asbestos contained within GM products?
5. What will be the process for recovery for those who have been injured by defective GM products and who have pending claims against GM?

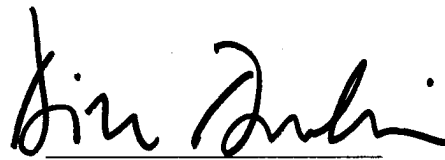
6. What steps is the Auto Task Force taking to ensure that GM is reorganized in such a way that the New GM has sufficient resources to satisfy its pension and health care obligations to current and future retirees?
7. Why under the restructuring agreement are the claims of certain union members being treated differently than the workers and retirees of other unions?

We would appreciate a response to these questions at your earliest convenience. We thank you in advance for your consideration.

Sincerely,



Harry Reid
U.S. Senator



Richard J. Durbin
U.S. Senator