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To: Members of the Legislature's Labor and Public Employees Committee
Subject: Reject SB 913: Mandatory Paid Time Off

February 24, 2011

Dear Committee Members,

It has come to my attention that once again the Connecticut State legislature is attempting to pass a mandatory sick leave bill (SB913.) As a small business owner struggling to survive in Connecticut, I urge you to reflect very carefully on the negative effect this legislation would have on small businesses in the state. SB913 would place one more financial "straw" onto my company's already overburdened expense structure; it is quite possibly the straw that would break our back.

New England Truck Sales & Services, Inc. is a heavy truck dealership. We represent the Daimler AG brands of Freightliner, Mitsubishi-Fuso and Sprinter. We are currently staffed at 50 employees. Our 2010 revenues were approximately \$20,000,000.

In August of 2006, I and two partners purchased this company as it was collapsing and about to close. The business had lost nearly \$2,000,000 in the previous year; it had not shown a profit in more than ten years. Prior to buying this company, I had over 15 years of "turn around" success within the heavy truck industry. I was convinced this company could be turned around and made profitable once again.

In January 2007, the trucking industry began a catastrophic slide that has just recently ended. Nationally the market dropped almost 63% in three years. In Connecticut the drop was even more severe, with the market falling off 71%. It is currently up a very modest 15-17%, but there is still a long way to go.

Since the purchase, my partners and I have invested millions of dollars in NETS Inc. We have invested in IT infrastructure, building renovation, employee training and most importantly, a much improved compensation and benefits package for our employees. We have added a 401K with matching funds, bonus plans for performance, better health insurance (with the company assuming a greater share of the cost than before), company paid life insurance and more. We have experienced lay-offs, as have most employers in Connecticut, but we have also stepped up at great personal expense to ensure that the remaining employees have job security and "best in class" benefits.

Many other business owners in the same situation have taken their losses and shut down. We have chosen to stay and fight for the good of our company, our employees and our community.





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Should SB913 be passed, it will drive up the NETS payroll substantially. Not only will I have to pay an employee for extra time off, but I will also lose the billable hours while they are out. The legislation would effectively deliver a double hit to the bottom line. In an automotive dealership fixed operations are critical to success and billable hours are the hinge pin. My Controller estimates that if SB913 passes it will increase our operating expenses by \$100,000 to \$150,000 during the course of a fiscal year.

There has been a lot of talk recently from politicians around the U.S. about small business and how important it is to our county's economic future, how it is the "backbone of our country." Where is the reality in all this rhetoric? Do the vast majority of legislators truly understand what it takes to make a small business successful? If you haven't actually built a company, turned a company around and guided a company through the ups and downs, you cannot know how difficult it is to survive and prosper in the business world.

If you want to see small business in America, come see our company. We are the epitome of small business: struggling to survive, taking care of each other...and asking you not to make imprudent decisions for us.

Sincerely,

Matthew McConnell, CEO
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