

**Testimony of the Alliance of Automobile Manufacturers
for the Joint Transportation Committee on
House Bill 6820 – Franchise**

On behalf of the Alliance of Automobile Manufacturers (Alliance), thank you for the opportunity to submit comments on House Bill 6820. The Alliance is the leading trade association for passenger car and light truck manufacturers, representing 12 auto makers including BMW Group, Fiat Chrysler Automobiles, Ford Motor Company, General Motors Company, Jaguar Land Rover, Mazda, Mercedes-Benz USA, Mitsubishi Motors, Porsche Cars North America, Toyota, Volkswagen Group of America and Volvo Cars of North America.

The Alliance would like to thank Chair Guerrero for his leadership in bringing the automobile manufacturers and dealers together to discuss franchise-related issues. House Bill 6820 contains several provisions that manufacturers and dealers were able to reach a consensus on to date. These provisions include language that:

- Shortens the audit time frame and accommodates clerical or administrative technicalities that may occur during claim submissions;
- In cases of a dealer termination, clarifies the compensation that dealer receives for vehicles, parts, supplies and furnishings, and special tools and equipment;
- Clarifies the use of site control agreements upon the termination of a line make;
- Provides termination assistance to dealers with respect to their dealer management computer systems, should those terminations be the result of a discontinuation of a line make; and
- Clarifies when a manufacturer can exercise its contractual right of first refusal as well as its obligations should the right be exercised.

The Alliance is committed to additional discussions with the Connecticut Automotive Retailers Association on those outstanding issues they initially raised that we have not been able to reach agreement on yet. Should a consensus be reached by both parties on additional issues, the Alliance commits to bringing the negotiated language back to the Committee for consideration for inclusion in House Bill 6820.

Thank you again to Chair Guerrero and the Committee for recognizing the importance of creating well balanced legislation with respect to the franchise statute, as well as your consideration of the Alliance's comments.

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