

Legislative History for Connecticut Act

SB 513	PA 304 FAX	1983
House	4639-4645	(7)
Senate	1706-1708, 1781-1782, 2952-2954, 3035-3039	(13)
General Law	536, 549-552, 577, 581	(7)
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CONNECTICUT
GEN. ASSEMBLY
HOUSE

PROCEEDINGS
1983

VOL. 26
PART 13
4385-4687

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House of Representatives

Thursday, May 12, 1983

personal privilege? If not, will the Clerk please return to the call of the Calendar.

CLERK:

Calendar page 6, Calendar No. 468, File No. 400, Substitute for Senate Bill No. 513, AN ACT CONCERNING RENEWAL OF AUTOMOBILE DEALERSHIP FRANCHISES, as amended by Senate Amendment Schedule "A". Favorable Report of the Committee on General Law.

REP. SCULLY: (75th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Scully.

REP. SCULLY: (75th)

Mr. Speaker, I move acceptance of the Joint Committee's Favorable Report and passage of the bill in concurrence with the Senate.

SPEAKER STOLBERG:

Will you remark?

REP. SCULLY: (75th)

Yes, Mr. Speaker, would the Clerk please call LCO No. 5495, which is Senate "A". Would he please read it.

SPEAKER STOLBERG:

The Clerk has LCO 5495, which is Senate Amendment

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Schedule "A". Will the Clerk please call and read.

CLERK:

LCO No. 5495, designated Senate Amendment Schedule "A", offered by Sen. Skowronski of the 17th District.

In line 1, before the word "section" insert section 1.

After line 8, insert the following: Sec. 2. This act shall take effect from its passage.

REP. SCULLY: (75th)

Mr. Speaker, I move passage of the amendment, which is self-explanatory.

SPEAKER STOLBERG:

Will you remark? Will you remark? If not, all those in favor of the amendment, please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER STOLBERG:

All those to the contrary, nay. The amendment is adopted and ruled technical.

Will you remark further on the bill?

REP. SCULLY: (75th)

Yes, Mr. Speaker. What this bill would do is extend the same rights and laws that we gave to automobile

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dealers last year underneath the manufacturer's permit, to those people who deal strictly with distributors. Distributors primarily bring cars in from Europe, and with that in mind, I would like the Clerk to call LCO No. 6602, and I be allowed to summarize.

SPEAKER STOLBERG:

The Clerk has an amendment, LCO 6602, which will be designated House Amendment Schedule "A". Would the Clerk please call.

CLERK:

LCO No. 6602, designated House Amendment Schedule "A", offered by Reps. Stolberg, Frankel, Groppo and Scully.

SPEAKER STOLBERG:

Rep. Scully has asked leave to summarize. Is there objection? Is there objection? Seeing no objection, please proceed.

REP. SCULLY: (75th)

Mr. Speaker, what this amendment does, it outlines the various reasons or reasons that the manufacturer cannot terminate a franchise, or distributor cannot terminate a franchise. This wording comes from the law that we passed last year, and as I said before, all it does is extend this from the manufacturers and the distributors. I move passage.

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SPEAKER STOLBERG:

Will you remark further on House Amendment Schedule "A"? Will you remark further? If not, all those in favor of House Amendment Schedule "A", please indicate by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER STOLBERG:

All those to the contrary, nay. House "A" is adopted and ruled technical.

House Amendment Schedule "A".

Strike everything after the enacting clause and insert the following in lieu thereof:

"Section 1. Section 42-133v of the general statutes is amended by adding subsection (f) as follows:

(NEW) (f) No manufacturer or distributor shall terminate, cancel or fail to renew a dealer's franchise for the failure or refusal of the dealer to do any of the following: (1) Failure to meet sales quotas suggested by the manufacturer or distributor; (2) refusal to sell any product at a price suggested by the manufacturer or distributor; (3) refusal to keep the premises open and operating during those hours which are documented by the dealer to be unprofitable to the dealer or to preclude the dealer from establishing his own hours of operation beyond the hour of 10:00 P.M. and prior to 6:00 A.M.; (4) refusal to meet unreasonable minimum standards and marketing guides which include, but are not limited to, capital, inventory, facility and personnel requirements; (5) refusal to give the manufacturer or distributor financial records of the operation of the franchise which are not related or necessary

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to the dealer's obligations under the franchise agreement. Subdivision (1) to (5), inclusive, shall not be deemed good cause under subsection (b) of this section.

Sec. 2. This act shall take effect from its passage."

SPEAKER STOLBERG:

Will you remark further on the bill? Will you remark further?

REP. FARR: (19th)

Yes, Mr. Speaker.

SPEAKER STOLBERG:

Rep. Farr.

REP. FARR: (19th)

Yes, Mr. Speaker, I would just point out again, we had an amendment I offered previously to this section, that the section we're dealing with here is the section of our statutes that gives them exclusive franchise to automobile dealers in a six mile radius. The amendment says that the dealers now can't set sales quotas, excuse me, manufacturers can't set sales quotas, can't dictate price. So what we do, is we have a bill that establishes grants to the dealers, an exclusive franchise and prohibits the dealers from trying to set a price. And it seems to me the net effect of that is tremendous restraint of trade.

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I've talked to a number of people from the Subaru dealerships who have a number of problems in dealing with, apparently their manufacturers, and I don't have objections to trying to legislate in the area, the relationship between the dealers and the manufacturers, but I do, in the light of the fact that we now have, and still continue to have that six mile restriction in there.

I think to broaden the legislation without restriction is simply to broaden the restraint of trade, which we've already approved.

SPEAKER STOLBERG:

Will you remark further on the bill as amended? If not, would members please be seated. Will staff and guests please come to the well of the House. The machine will be opened.

The House of Representatives is now voting by roll. Would the members please return to the Chamber immediately. The House of Representatives is now voting by roll. Would the members please return to the Chamber immediately.

Have all the members voted? Have all the members voted? If so, the machine will be locked, and the Clerk will take a tally.

The Clerk please announce the tally.

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CLERK:

Senate Bill 513, as amended by Senate Amendment
Schedule "A" and House Amendment Schedule "A".

Total number voting	147
Necessary for passage	74
Those voting yea	143
Those voting nay	3
Those absent and not voting	4

SPEAKER STOLBERG:

The bill is passed.

CLERK:

Calendar page 3, Calendar No. 225, File No. 254
and 824, Substitute for House Joint Resolution No. 81,
RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES
TO REPEAL THE WITHHOLDING AT THE SOURCE PROVISION OF THE
TAX EQUITY AND FISCAL RESPONSIBILITY TAX ACT OF 1982.
Favorable Report of the Committee on Government Administration
and Elections.

REP. BALDUCCI: (27th)

Mr. Speaker.

SPEAKER STOLBERG:

Rep. Balducci.

REP. BALDUCCI: (27th)

Mr. Speaker, I'd like to place this and one other

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THE PRESIDENT:

Senator Skowronski.

SENATOR SKOWRONSKI: (17th)

Mr. President, I move that that bill be
Passed Retaining its place, please.

THE PRESIDENT:

Without objection, so ordered.

THE CLERK:

Page 5, Cal. 281, File 400. Substitute for
Senate Bill No. 513. AN ACT CONCERNING RENEWAL OF
AUTOMOBILE DEALERSHIP FRANCHISES. Favorable report
of the Committee on General Law. The Clerk has an
amendment.

THE PRESIDENT:

Senator Dorr.

SENATOR DORR: (15th)

Yes, Mr. President, I move acceptance of the
Joint Committee's favorable report and passage of the
bill.

THE PRESIDENT:

The Clerk please call the amendment.

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THE CLERK:

Senate Amendment Schedule A. LCO 5495.

SENATOR DORR:

Mr. President, the amendment would just make this particular act effective upon passage. I move adoption of the amendment.

THE PRESIDENT:

Do you wish to remark further? All those in favor of the amendment signify by saying Aye. Those against Nay. The Ayes have it. THE AMENDMENT IS ADOPTED.

Senator Dorr.

SENATOR DORR:

Yes, Mr. President, Public Act 82-445 prohibits an automobile manufacturer from canceling, terminating or failing to renew a franchise agreement with a dealer unless (1) proper notice is given; (2) there is good cause, and (3) the manufacturer is acting in good faith.

This bill would stipulate that, if the dealer has held the franchise for three years and has met all

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its terms in that period, the franchise could be automatically continued without renewal and may not be canceled or terminated by either a manufacturer or an automobile distributor but for a good cause.

Mr. President, I think the bill is reasonable and if there is no objection, I move that it be placed on the Consent Calendar.

THE PRESIDENT:

Without objection, so ordered.

THE CLERK:

Cal. 282, File 399. Senate Bill No. 575.

AN ACT CONCERNING AUTOMOBILE DISTRIBUTORS. Favorable report of the Committee on General Law. The Clerk has an amendment.

THE PRESIDENT:

Senator Dorr.

SENATOR DORR: (15th)

Yes, Mr. President. I move for adoption of the Joint Committee's favorable report and passage of the bill.

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locked. The Clerk will tally the votes.

RESULT OF THE VOTE: Total Voting is 35.
Necessary for Passage is 18. Voting Yea is 34. Voting
Nay is 1. THE MEASURE IS ADOPTED.

THE PRESIDENT:

Senator Schneller.

SENATOR SCHNELLER:

Mr. President, I wonder if it would be possible at this time to vote on all items that have been placed on Consent up to this point. There are a couple of members that have to leave and they would like the opportunity of voting on the matters that we have taken up to date.

THE PRESIDENT:

The Clerk will make the announcement for a roll call and then proceed with the Consent Calendar.

THE CLERK:

An immediate roll call has been called for in the Senate. Will all senators please take their seats.
An immediate roll call has been called for in the Senate.
Will all senators please be seated.

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The following items have been placed on the
Consent Calendar:

Page 1 - Cal. 167, 177. Page 2 - Cal. 197, SB875, SB850,
HB5229, SB1055,
218. Page 3 - Cal. 234, 235, 237 and 241. Page 5 - SB92, SB131, SB190,
SB991, SB513, SB575,
Cal. 281, 282, 284. Page 6 - Cal. 288. Page 7 - SB744, SB1099, SB911,
SB282, SB946,
Cal. 291, 292, 294. Page 8 - Cal. 299, 301, 302. SB1021, SB742, SB931,
HB5261, SB463, SB583,
Page 9 - Cal. 306, 307, 308. Page 10 - Cal. 309, SB664, HB5669,
HB5692, HB6903,
311, 313. Page 11 - Cal. 315, 316, 317, 318, 319. HB7117, HB7084,
HB5403, HB6611,
Page 12 - Cal. 321, 322. Page 14 - Cal. 337, 338, 339. HB5103, HB5105,
HB5685, HB5686,
Page 15 - Cal. 341, and Cal. 343. HB5687, HB5694,
HB5237

THE PRESIDENT:

Are there any questions on the Consent Calendar,
any requests to remove an item? Hearing none, the
machine is open. Have all senators voted? The machine
will be closed and locked.

RESULT OF THE VOTE: Total Voting is 35.
Necessary for Passage is 18. Voting Yea is 35. Voting
Nay is 0. THE CONSENT CALENDAR, TO DATE, HAS BEEN
ADOPTED.

Senator Casey.

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THE PRESIDENT:

Will you remark further on readoption of Senate Amendment Schedule A? If not, the issue before the chamber is readoption of Senate Amendment Schedule A. All those in favor will signify by saying Aye. Those opposed Nay. The Ayes have it. SENATE AMENDMENT SCHEDULE A IS READOPTED.

Senator Harper on the bill as amended.

SENATOR HARPER:

The bill as amended, Mr. President, the bill as amended previously passed this chamber on Consent and if there is no objection, I would move the item to the Consent Calendar.

THE PRESIDENT:

Any objection to placing the item on Consent?
Hearing none, it will go on the Consent Calendar.

THE PRESIDENT IN THE CHAIR

THE CLERK:

Cal. 281. File Nos. 400 and 875. Substitute for

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Senate Bill No. 513. AN ACT CONCERNING RENEWAL OF
AUTOMOBILE DEALERSHIP FRANCHISES, as amended by Senate
Amendment Schedule A and House Amendment Schedule A.
Favorable report of the Committee on General Law.
(Senate Passed 4/26. House Passed 5/12.)

THE PRESIDENT:

Senator Dorr.

SENATOR DORR: (15th)

Yes, Mr. President. I move adoption of the
Joint Committee's favorable report and passage of the
bill, as amended by Senate A and House A.

THE PRESIDENT:

Will you move for adoption of House A first?

SENATOR DORR:

Yes, Mr. President. I move adoption of House A,
and ask that the reading be waived.

THE PRESIDENT:

You may proceed.

SENATOR DORR:

Yes, Mr. President. House Amendment Schedule A
changes the bill significantly. It removes the language

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that the Senate passed and substituted alternate language which was already found in the franchise statutes passed last year. I think that it is reasonable and I ask that it be adopted.

THE PRESIDENT:

Will you remark further on House Amendment A? If not, all those in favor signify by saying Aye. Those opposed Nay. The Ayes have it. HOUSE AMENDMENT A IS ADOPTED.

Senator Dorr.

SENATOR DORR:

Yes, Mr. President, I move adoption of the bill. This bill would prohibit the termination of automobile dealership franchises without good cause. This bill as amended by House Amendment Schedule A, Mr. President, House Amendment Schedule A basically is the bill and if there are no objections, I would ask that it be placed on the Consent Calendar.

THE PRESIDENT:

Hearing no objection, so ordered.

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If there are no objections, Mr. President,
I ask that it be placed on the Consent Calendar.

THE PRESIDENT:

Is there any objection to placing this item
on Consent? Hearing none the matter will go on the
Consent Calendar.

The Clerk informs me that that is the Calendar so we will proceed to have a roll call vote on the Consent Calendar, which is quite lengthy. I will ask the Clerk to make the announcement for a roll call, and then proceed to list the items on the Consent Calendar and we would appreciate your giving your attention to the Clerk.

THE CLERK:

An immediate roll call has been called for in the Senate. Will all senators please take their seats. An immediate roll call has been called for in the Senate. Will all senators please be seated.

Page 2 - Cal. 326. Page 3 - Cals. 487, 497, 505, 507. Page 4 - Cals. 526, 544. Page 5 - Cals. 546, 563 and 565. Page 6 - Cal. 569. Page 7 - Cals. 574, 575, 576 and 581.

SB944, HB6511,
HB7029, SB989,
SB223, SB737,
SB1146, SB1144,
HB7158, HB7014,
HB7155, HB6199,
HB6744, HB7225

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Page 9 - Cals. 592, 594, 595, 596 and 597. SB912, SB1155,
SB844, SB237,
HB7110, SB324,
Back to Page 8 - Cal. 591 on the bottom of the page. HB5192, HB5663,
HB5588, HB6097,
Page 10 - Cals. 598, 600, 601 and 603. Page 11 - Cals. HB7020, HB6324,
HB5345, HB5562,
605 and 608. Page 12 - Cals. 613 and 614. Page 13 - HB6444, HB7110,
HB7222, HB7235,
Cals. 616, 617, 618 and 620. Page 14 - Cals. 623, and HB6462, HB6826,
HB6845, SB1055,
624. Page 22 - Cals. 116 and 218. Page 23 - Cals. SB243, SB513,
SB664, HB6183,
219, 281, 309 and 349. Page 26 - Cal. 150. Page 27 - SB378, SB382,
HB6179, HB6925,
Cal. 208. Page 28 - Cals. 334, 335, 412 and 431. SB399, HB6927

THE PRESIDENT:

Is there any questions or omissions? Senator Serrani.

SENATOR SERRANI: (27th)

Yes, Mr. President, I would like to have on Page 7, Cal. 581, House Bill 6151, File 563, taken off so I can vote on the bill, and oppose it.

THE PRESIDENT:

We will take it off the Consent Calendar and we will vote on it immediately after we do the Consent Calendar. Are there any other questions or any other requests in reference to the Consent Calendar?

If not, the machine is open. A reminder that

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we are going to vote again as soon as the Consent Calendar is voted on. Have all senators voted? The machine is closed.

THE VOTE IS 36 to 0. THE CONSENT CALENDAR IS ADOPTED unanimously.

The Clerk will call the item that Senator Serrani requested to be removed from the Consent Calendar.

THE CLERK:

Page 7, Cal. 581. File 563. House Bill 6151.
AN ACT CONCERNING THE ARTS CENTER PARKING GARAGE IN
THE CITY OF NEW HAVEN. Favorable report of the Committee
on Transportation.

THE PRESIDENT:

The bill has already been moved and discussed.
Do you care to remark? If not, the Clerk will make the
announcement for a roll call, to make sure all are here.

THE CLERK:

An immediate roll call has been called for in
the Senate. Will all senators please take their seats.
An immediate roll call in the Senate.

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THE PRESIDENT:

The issue before the Senate is Cal. 581, House Bill No. 6151. File 563. The machine is open. Have all senators voted? The machine will be closed and locked.

Total Voting is 36. Necessary for Passage is 19. Voting Yea is 35. Voting Nay is 1. THE MEASURE IS ADOPTED.

Points of personal privilege or announcements?

Senator Larson.

SENATOR LARSON:

Thank you, Mr. President. Obviously, some of you have received your hats already. I just want to inform members of the circle that we also have a shirt for everyone. It is in the office. June is sorting them out according to size. We would ask that the men allow the females to take the medium shirts. There are larges and extra larges that are available. So pick up your particular size, and if anyone wants to reorder one, we do or we will reorder them. I know some of the staff has indicated that they would like some shirts.

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THE PRESIDENT:

Senator Morton.

SENATOR MORTON:

Mr. President, I was absent from the chamber on legislative business and I missed the roll call.

THE PRESIDENT:

The record will so note.

Give your attention to the Clerk who has an announcement with reference to the Senate photo.

THE CLERK:

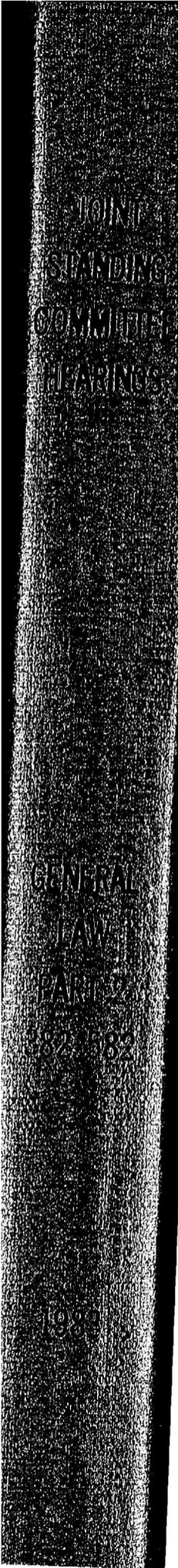
The time for the Senate photograph has been changed to 11:30 a.m. on Tuesday, May 24, 1983 in the chamber instead of 12:00 noon, as originally planned.

THE PRESIDENT:

The Senate photo then is scheduled for 11:30 here next Tuesday. We will also put out a notice on that. Are there any other announcements or points of personal privilege? If not, Senator Robertson have you got your usual motion for us.

SENATOR ROBERTSON:

Mr. President, I don't believe any amendments were not affirmatively acted upon today.



JOINT
STANDING
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MR. ONEGLIA: (continued)

influence on these boards, and I think their expertise is necessary. What we're saying is the general contractor has some expertise in managing a job and in coordinating how piping goes into the building, when the general is actually doing another part of the job, that a decision on piping work may affect. We're not looking for a majority vote in any way. Just looking for some input. Thank you Mr. Chairman.

SEN. SKELLEY: Any other questions? Thank you, sir. Joseph Nedrow?

MR. JOSEPH NEDROW: Mr. Chairman and members of the committee. My name is Joseph R. Nedrow and I am the New England Regional Manager for General Motors and I would like to express General Motors objections to three bills and in the interest of time, and with your permission, I'll submit a more detailed analysis and just highlight what our concerns are with these three bills.

The first is 511, Senate Bill 511 which deals with an act concerning disclosure of automobile allocations to dealers. In the last session, we worked very hard I know, on Senate Bill 497 and the allocation disclosure requirements were already covered under Connecticut law and I would respectfully request that you review that Senate Bill 497. Additionally there is protection under the federal dealer and court act that would deal with the allocation of new motor vehicles to dealers.

The second bill is Senate Bill 513. This is an act concerning renewal of automobile dealership franchises. This, too, was addressed last session in Senate Bill 497 and under the proposed bill, the manufacturers and consumers in Connecticut could be stuck with a dealer forever, regardless of his service to the community or compliance with the franchise law.

And thirdly, it is Rep. Woodcock's bill, House Bill 5373, which deals with an act concerning warranties on the sale of certain new motor vehicles. This would require that all new motor vehicles, vans and light trucks sold in Connecticut would be warranted against all defects for 36,000 or three years. We would object to this bill for a variety of reasons. One is, it's inconsistent with Section 102, b2

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REP. WOODCOCK: (continued)
The next speaker will be, it looks like F. N. FitzMaurice.

MR. F. N. FITZMAURICE: My name is Francis FitzMaurice, I'm the SB 511 of Watertown and the reason I'm here is that I wish to petition the proposed Bill 512, An Act Concerning Automobile Manufacturers be amended to read distributor manufacturers.

REP. WOODCOCK: Could you speak into the microphone.

MR. FITZMAURICE: Sorry. Be amended to read distributor manufacturer not the dealer and the manufacturers as it is written. If the law is passed without this amendment, the distributorship will be granted amunity from any responsibility and thus the only legal representative in the state would be each dealership. We feel that the distributor should be liable or the manufacturer for any defects or problems that may arise.

We have now a case in the State of Connecticut where the distributor says the law is not applicable as it is written to him. We urge your cooperation on this bill will be greatly appreciated.

REP. WOODCOCK: Thank you Mr. FitzMaurice. Any questions of Mr. FitzMaurice?

REP. FRITZ: May I point out to the committee that 512 has now become 511 and it is fully drafted.

REP. WOODCOCK: The bill you are testifying on is 511. That's okay sir we understand which bill you're interested in. Any other questions? Thank you very much. Walter Vincent please.

MR. WALTER VINCENT: My name is Walter Vincent --

REP. WOODCOCK: Could you please speak into the microphone, please.

MR. VINCENT: I'm asking you to support the passage of Senate Bill 513 to abolish the automobile dealership refranchising requirements as long as a dealer has

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MR. VINCENT: (continued)

met the terms of the franchising agreement for three years. The duration of the franchises run from one year to (speaker inaudible) the majority of the industry prefers to use the however, there are unfortunately some manufacturers and --

REP. WOODCOCK: Could you please speak into the microphone we are having a very difficult time hearing you sir.

MR. VINCENT: There are unfortunately some manufacturers and/or distributors that criminally abuse the present three year law. And place the dealer under great pressure along with tremendous financial burden by arbitrarily changing the requirements. A dealer that cannot keep up with the continuous, unreasonable demands of the franchiser is threatened with nonrenewal or franchise termination. Thereby eliminating his livelihood, contribution of his business to his employees customers and community. Presently the manufacturer makes all the demands and requirements that a dealer has to abide by. Yet they offer no guarantees nor do they have to under the existing law to give reasonable assurance that the dealer will be refranchised every three years.

At present we know of two dealers, respectful facilities, that are right now in a pressure cooker. Also one dealer who is quite large, who is not out of business just recently because of all this. He being only minutes from where we are sitting right now.

I can cite, if you would like to know, many examples of these abuses. However, for the sake of saving time today I'll give you one example of these abuses.

There is a dealer in Connecticut, a respectable one, who has a very small facility and is doing such a superb job in his overall operation, the franchiser awarded him to enter into the President's Club, which the dealer and the franchiser. It is a very prestigious group necessitating compliance with extremely stringent requirements. Six months ago the franchiser changed the requirements putting the dealer to the bottom of the next highest group. This action dictates that in order for him to comply with the new requirements, he is now

MR. VINCENT: (continued)

forced to face, again is a major financial investment. If for any reason he cannot comply, the franchise will not be renewed in three months.

May I remind you that this is the same good dealer doing the same good job and because someone arbitrarily changed the rules, he is going from a hero to a in just six months. Isn't that inconceivable, obviously not.

The distributor doesn't feel that way, they are now in the process of mailing the a 90 franchise cancellation notice. In closing I would like to read for you a paragraph from the minutes from the

I quote " The Advisory Board further urges discretion in regards to the standards of the areas where dealers has respectful facilities and have proven adequate to meet all the sales and service requirements of their . Thus the agreement termination already very prominent in some dealers, physical restraint is to strictly prohibited exact is the only true measure for the dealer's performance in our opinion. It always has been and should continue to be the performance in his respective area (speaker inaudible)."

Senate Bill 513, thank you very much.

REP. WOODCOCK: I have a question. Do you have a suggestion as to what time period, what term we should have for the limitation of franchises?

MR. VINCENT: I'm sorry start again please.

REP. WOODCOCK: Do you have a suggestion as to what we should limit franchises terms to? Because at the present time it is renewed every three years.

MR. VINCENT: The proposal is perpetual. Most franchise agreements have enough stop gaps in them to protect the franchiser and (speaker inaudible).

REP. WOODCOCK: Is it your position in your testimony this morning that there is a certain manufacturer or distributor that is abusing this situation?

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MR. VINCENT: Very definitely.

REP. WOODCOCK: Who may that be?

MR. VINCENT: Subaru of New England.

REP. WOODCOCK: Subaru of New England.

MR. VINCENT: Very definitely. Just from my case alone, I was put in as a dealer in 1979, June, 1979 and in July, 1981 I was forced to put an addition on my building to a tune of \$62,000 just because I sold 25 cars more than what my commission was.

REP. WOODCOCK: Rep. O'Neill

REP. O'NEILL: Yes as I understand it that you feel that this bill has been designed to protect Connecticut businessmen is that right?

MR. VINCENT: Well it was originally supposed to be part of the Franchise Law that was enacted last year. Right now the State of Rhode Island has this law in effect right now, perpetual franchising.

REP. O'NEILL: Yes but it is your testimony that this will protect the Connecticut businessman?

MR. VINCENT: Yes.

REP. O'NEILL: And then directly the consumer because he has been dealing with the franchise for a long period of time and has created confidence and trust in that particular person.

MR. VINCENT: That's correct.

REP. O'NEILL: Thank you.

REP. WOODCOCK: Any other questions for Mr. Vincent? Thank you Mr. Vincent. The next speaker will be William Knapp.

MR. WILLIAM KNAPP: Thank you members of the General Law Committee. I'll be brief. My name is William Knapp.

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MR. KIMBALL: (continued)

give the board a greater input in the industry and much more sensitivity to the industry's problems and at the same time I would not agree that it would be necessary to have the general contractor on the board unless the general contractor was in face, licensed in either one of these categories. The main purpose of these boards is to administrate the examinations and oversee the licensing of these groups and we do not see any reason why the general contractor should be involved in these activities.

REP. WOODCOCK: Thank you Mr. Kimball. Any questions from the Committee? Thank you sir. The next speaker will be Mr. Neal Tallong.

MR. NEAL TALLONG: Mr. Chairman, members of the Committee, my name is Neal Tallong. I'm representing Chrysler Corporation and I want to say good afternoon and I'll be very brief.

Chrysler feels pretty much the same about 511, 512, 513 and 5372 as was reported earlier by General Motors. We see a number of problems with these. 511 especially--

REP. WOODCOCK: Excuse me, Mr. Tallong. Would you be kind enough to close the doors out there. There's too much noise outside. We can't hear the speaker. Thank you very much.

MR. TALLONG: We feel that Senate Bill 511 could set up costly and unnecessary procedures and could be calling for a great deal of information that would have to be processed and put together in order to be distributed.

As far as Chrysler is concerned, if a dealer should wish to know how we go about allocating his product, we would be very, very happy at any time, to have him contact us and we will, in writing, and by direct contact, tell him exactly how this is done.

One point I will make and that is whenever a hot car comes along, you can be certain that every dealer will want more than their share. That's an actual fact. I'm

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MS. CANTWELL: (continued)

vehicle line. In the latter case, Ford makes its allocation of vehicles based upon the dealers' past sales history which is a system reviewed with its dealers.

The publication of this allocation system in the manner prescribed in the Bill would be unduly burdensome and expensive, which would have to be passed on to the buying public in the price of the automobile. Further, the prohibitions in the Bill regarding tying in new vehicles to parts sales, slow-moving vehicles or new facilities are currently prohibited by the anti-trust laws and thus the Bill is duplicative in this respect. Ford Motor Company respectfully urges the rejection of this proposal.

Senate Bill 513, relating to abolishing the dealership refranchise requirement as long as dealers have met the terms of the franchise agreement for three years, Ford Motor does have some continuous franchises and some that are term and service agreement subject to the dealer agreeing to build an adequate sales and service facility or subject to the dealer moving into the community which the dealership serves. A dealer may be marginal as to his or her performance. At the end of three years in a poor economic climate, and it is unrealistic for the manufacturer to insist on the dealer building a new facility at the time, this Bill would take away the manufacturer's leverage, regarding dealer franchise, to the detriment of the dealer's customers who deserve adequate sales and service facilities in such a circumstance when economic conditions improve.

Additionally, Ford believes that its dealers should be a part of the community that he or she serves. The award of a continuous franchise after three years removes a carrot that benefits the dealer's customers in the long run when the dealer may have delayed his or her initial move into the dealer's community for reasons of school, etc.

Ford Motor Company respectfully urges the rejection of this proposal.

REP. WOODCOCK: Thank you very much. The next speaker is Ed Fennelly.