



February 12, 2016

Senator John Coghill
Alaska State Capitol Room 119
Juneau, Alaska 99801-1182

Re: SB 197

Dear Senator Coghill,

The language contained in SB 197 is absolutely critical to protecting local small business, local jobs, and our community as a whole. The manufacturers are concerned with global macroeconomic forces and Wall Street analysts. They know almost nothing about Alaska's economy, Alaska's people, or Alaska's needs. The local franchisees, the local dealers, are the ones supporting thousands of families, contributing to local schools and charities, and who have invested their livelihoods in support of long term positive growth for the community.

Historically, our laws have sought to level the playing field, address local needs, and to protect the weaker party, and that is exactly what this bill seeks to do. The manufacturers have almost unlimited resources and without legislative protections, local businesses and the livelihoods of Alaskans rest solely with the whims of the manufacturers. This bill provides regulations protecting consumers and local businesses which are standard in most states and which have yet to be comprehensively addressed in Alaska.

There are many industry specific regulations which this bill addresses, and for good reason. We have had a manufacturer charge us back more than \$50,000 for good repairs which the customers were satisfied with, because we didn't staple a copy of the cost assessment to our claims, a digital form we couldn't recover from the manufacturer because they didn't retain them in their own records. Under these conditions, dealers are uncertain what work they will be paid for, and if they are paid, they don't know if the manufacturer will construct an arbitrary reason to take the money back.

Manufacturers also fail to treat dealers equally. They can provide supplemental inventory to the dealer of their choice, effectively subsidizing that dealer by paying them hundreds of thousands of dollars in extra incentives for the additional sales

the dealer made using the special allocation. The other dealer could face a constructed termination for not selling enough of the cars which they couldn't even get. Without this bill, local family owned businesses, which have been serving the community for decades, can be destroyed almost overnight by the manufacturer without cause significant enough to justify the loss of jobs and investment; let alone proof that the dealer was treated equitably and fairly.

The bottom line is that these global interests hold too much arbitrary power over our local businesses. When the manufacturers are allowed to be the legislative body, judge and jury, consumers lose, local businesses lose, and the rightful powers of our elected officials and judiciary are subverted. With your support, and with this bill, you can bring equity and fairness back to the marketplace and protect critical local jobs and families.

On behalf of the new vehicle dealers of the state of Alaska, and the thousands of families which rely on us for their livelihoods, please do all that you can to support this bill.

Sincerely,



Nick Worthington
Dealer / President
Worthington Ford Lincoln
Mercedes-Benz of Anchorage