

February 20, 2017

Dear Senator Meyer,

The wording contained in SB47 is very important to protecting local companies, Alaskan jobs, and our community. The manufacturers are concerned with global forces and Wall Street. They know very little about Alaska's economy, Alaska's people. 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 our state.

In the past, our laws have sought a level the playing field, address local needs and to protect the lesser 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 the Alaskans rest with the decisions of the manufacturers. This bill provides regulations protecting consumers and local businesses which are standard in most states and which have yet to be addressed in our state.

The industry regulations which this bill addresses and for good reason. We have had a manufacturer charged us back more than \$120,000 for rebates which the customers received, because we didn't cross our T's or Dot our I's as a example we have invoices showing the customer purchased signage on their vehicles and received the appropriate rebate to account for the signage but we did not have proof of payment the manufacturer charged us back, not the consumer and nowhere in the rules does it state we needed to provide such proof. Under these conditions, dealers are uncertain what work or rebates they will be paid for, and if they are paid, they don't know if the manufacturer will construct an arbitrary reason to charge the dealer back.

Manufacturers do not treat dealers the same. They can provide additional inventory to the dealer of they choose, subsidizing that dealer by paying them hundreds of thousands of dollars in extra incentives for the additional sales the dealer made using their own allocation process. The competing dealers could have their franchise terminated for not attaining their market share of vehicles which they did not receive or allocated. Without this bill,

auto dealers which have been employee local Alaskans and serving the community since statehood, can be eliminated by the manufacturer without cause.

In closing these manufactures self-interests have too much control over our local businesses. When the manufacturers are allowed to have this much legal control without oversight, dealers are in jeopardy, the consumer will pay the end cost, local businesses lose. We are asking for your support, and with this bill, you can bring fairness back to the market and ensure local jobs and a stable economy we desperately need now in Alaska.

As a lifelong Alaskan I am asking for your support of this bill and on behalf of the Auto dealers of Alaska and all the employees our future depends on it. Thank you for your support.



Troy Jarvis

General Manager

Lithia Chrysler Jeep Dodge Ram Fiat of Anchorage