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2 February 2024

Representative Jesse Sumner, Chair  
House Labor and Commerce Committee  
State Capitol, Room 421  
Juneau, AK 99801

RE: HB 233 – Relating to rates and time allowances for required motor vehicle work

Dear Chair Sumner and members of the Committee:

I am Les Nichols, owner, and general manager of Fairbanks Nissan in Fairbanks Alaska. I am writing today in support of HB 233 – relating to rates and time allowances for required motor vehicle warranty repair work.

My dealership is one of only 5 new car dealerships in the state that continue to be locally owned. I employ 33 people in my store and of that 33, 12 of them would be protected by this bill from the unfair practice of discounting time, that manufacturers are currently allowed to impose on our businesses, service department, and employees.

This bill will also protect Alaskan consumers from service costs that are driven up by the manufacturers discounting of time.

In simple terms, the manufacturers believe that they deserve to dictate how much time they are going to pay for a technician to complete a warranty repair. According to my manufacturers time guide, they will pay for 1.5 hours of labor for a technician to complete the replacement of a strut assembly on a 2017 Maxima. AllData, an independent time guide, quotes the job at 1.7 hours. In this example the manufacture receives a discount of roughly 12%. If both the right and left front assembly need to be replaced my manufacturer will only pay for a total of 1.9 hours. Please keep in mind the left and right side take the same amount of time to complete because it is the same operation twice. This means on twice the work they help themselves to a 44% discount on the total job.

If a technician were to do the same job at an independent repair facility they would be paid for full price of the job. This creates a competitive disadvantage for new car dealers. Many technicians will not work for new car dealers because they do not want to be paid less for doing work for the manufacturers.

When the manufacturers publish discounted times, it means that the technician is paid fewer hours. The service manager and the service-writers pay is also reduced. Additionally, as a dealer I have to raise the prices charged on work billed directly to our local customers to offset the self-decided discounts that the manufacturer imposes on us.

The question I pose to you as a representative of the people of Alaska is, why do manufacturers deserve the right to pay our technicians, service writers, service managers for fewer hours than the industry charges? More importantly why should Alaskan consumers be left paying higher prices to subsidize these discounts?

It is my position that technicians in new car franchise stores should not be forced to accept half as much pay as a technician at an independent repair facility. It is my position that Alaskans should not have to pay for the rate increases

that are necessary to offset the cost of these discounts that are unilaterally imposed by the manufacturers. Finally, it is my position that we should not be forced to send the value of our work out of our state and our local communities to line the pockets of multinational manufacturing companies.

I again ask for your support for HB233 to protect Alaskan businesses, workers, and consumers.

A handwritten signature in black ink, consisting of a stylized, elongated loop followed by a horizontal line extending to the right.

**Les Nichols**

**CC: Representative Frank Tomaszewski, Sponsor**