

The Honorable Mark Mustio
Chair, House Professional Licensure Committee
Pennsylvania General Assembly
Room 205, Ryan Office
Harrisburg, Pennsylvania 17120

SUBJECT: HOUSE BILL 1898 - AN ACT AMENDING THE ACT OF DECEMBER 22, 1983 (P.L.306, NO.84), KNOWN AS THE BOARD OF VEHICLES ACT – OPPOSE UNLESS AMENDED

Dear Representative Mustio,

The Association of Global Automakers represents the U.S. operations of international motor vehicle manufacturers, original equipment suppliers, and other automotive-related trade associations. We work with industry leaders, legislators, regulators, and other stakeholders in the United States to create public policies that improve motor vehicle safety, encourage technological innovation and addresses environmental needs. Our goal is to foster an open and competitive automotive marketplace that encourages investment, job growth, and development of vehicles that can enhance Americans' quality of life. In Pennsylvania, Global Automakers' members' accounted for 46% of new vehicle sales and 70% of green vehicle sales in 2016. For more information, visit www.globalautomakers.org.

Our Position

Global Automakers and its members worked with the Automotive Trade Association Executives (ATAE) Board of Directors to develop framework language for state franchise legislation regarding dealer reimbursement from manufacturers when there is a “stop sale” recall and a remedy or parts are not reasonably available. A copy of that framework and our letter to the ATAЕ Board of Directors is attached to this letter. HB 1898, as drafted, is not consistent with the agreed upon framework. Specifically, the language “or similar notification order” does not appear in the agreed upon recall framework language that was negotiated between Global Automakers and the ATAЕ Board of Directors. After discussions with the Pennsylvania Automotive Association (PAA), we understand that PAA will remove the “or similar notification order” language from the legislation. When this language is removed from the bill, Global Automakers will have no opposition to the used vehicle recall portion of this bill.

Global Automakers opposes certain provisions contained in Section 3 of the bill, which seeks to amend Pa. Stat. Ann. tit. 63 § 818.12(a)(8). That statute makes it unlawful for a manufacturer to require, attempt to require, coerce or attempt to coerce any dealer to expand or modify its facilities without assurances that the manufacturer will provide a reasonable supply of new vehicles within a reasonable time to justify the expansion. The bill adds a time component of within ten years after the construction or remodeling was previously completed at a dealer's location. Global Automakers requests that the time provision be scaled back to five (5) years and that a provision be added confirming that this section “does not prohibit agreements entered

into voluntarily and for consideration.” Otherwise, this section, if enacted, would be detrimental to motor vehicle consumers as it would give dealers rights to operate from sub-standard facilities contrary to their agreements with manufacturers.

We are happy to provide you with additional information or answer any questions you may have on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Josh Fisher". The signature is written in a cursive style with a prominent loop at the end of the last name.

Josh Fisher
Manager
State Government Affairs