

Testimony to Legislative Comm.

- **Good morning, Senator Curry, Representative Gere and esteemed comm. members. My name is Cooper friend, VP of Friend & Friend, Inc. in Ellsworth. We carry Polaris, Honda, Kawasaki and Yamaha motorcycles, ATVs and watercraft. We have been in Ellsworth since 1975, and I was president of the company until Jan 1 of 2025. In 2025, Friend & Friend generated \$796,844.00 in sales tax revenue.**
- **I was also President of our state dealer association for several years. We have over 20 members in the Association. In 2001 we established some very industry specific and definitive franchise laws that were non-existent prior thereto and these really helped level the playing field. They were, of course, opposed by our various manufacturers at that time. This was a monumental step forward in our history and as a result we have seen a drastic downturn in dealer closures. However, fast forward 25 years and it is time to update and strengthen these laws as manufacturers have found new ways to impose financial burdens on dealers.**

- I have seen firsthand and over the many years manufacturers' demands with respect to facility requirements; i.e. showroom, service and signage that is not necessary, but highly expensive. These demands not only carry a capital cost but they also very likely are tied to vehicle allocation and even more important...profit margin. In other words, if you do not participate in the upgrades your profit margin will shrink as will your allocation. And when one manufacturer implements something like I have just spoken about, the others are most likely to follow suit.

- Warranty work reimbursement is another major issue that needs to be addressed. The reimbursement method now used by our manufacturers is not only archaic and antiquated, but incredibly costly to the dealer. The reimbursement times are not even remotely close to actual times required to do the work and do NOT include diagnostic time, fluids to put back in the engine nor the time to input the claim. These are all reasonable and necessary steps to competent repair and are provided in customer repair work. In short, manufacturers are keeping

the cost of repairing their new vehicles down by shorting us dealers. This is an incredible money loser for our dealerships.

- **Like most small businesses, we heavily invest in our employees because it's all about the people. And we also believe about investing in our outlying communities to make them better places to live as that is where our customers are from. The current processes with our manufacturers greatly inhibit these practices.**
- **In summary, we all believe it is time to upgrade some of these franchise laws to level the playing field. All of these costs are a burden, unfair and we ultimately have to pass this on to the consumer or cut costs such as payroll, etc. or all the above.**
- **My colleagues will speak about these issues in more specifics.**

Thank you very much for your time today.