

Testimony

Senator Curry, Representative Gere, and committee members; My name is Kerry Carsley. I am president and owner of Cove-Side Wheel & Ski in Newport. I am here today to testify in support of LD 2104, with focus on the warranty compensation and attorney fee provisions.

Under the current system, manufacturers dictate warranty reimbursement rates that fail to reflect actual repair time. In practice, we are compensated for only 30 to 40 percent of the labor required for a trained technician to complete the repair. Diagnostic time, administrative time, and shop supplies are not reimbursed at all. Oils, fluids, and consumables are also excluded, even though in many cases these costs alone can reach \$250 per repair.

For example, in a recent fuel pump safety recall the manufacturer allocated 1.1 hours for completion. The actual repair took more than two hours by a certified technician and required following a 35-page repair document. Because customers were instructed not to operate their vehicles, our dealership had to use two technicians and a forklift to unload and transport each unit. Administrative work took up to an additional hour. In total, we had between three and three-and-a-half hours invested in each repair, resulting in a net loss of two to two-and-a-half billable hours per unit.

Another manufacturer's bulletin required an engine oil pump gear replacement. That repair took four hours to complete and required a gear, 3.5 quarts of oil, and 3 quarts of antifreeze. The manufacturer reimbursed us for the gear and only one hour of labor. That resulted in a loss of \$117 in fluids and approximately \$350 in labor.

We have completed over 100 of these warranty repairs. These losses are not isolated incidents; they are systematic. Dealers are forced to absorb these losses or pass them along to consumers, effectively requiring customers to subsidize manufacturer defects.

The clarification of the attorney's fees provision now in franchise law is necessary. When manufacturers disregard franchise law protections, the burden falls on individual dealers to enforce the law at our own expense. We are expected to challenge global corporations with unlimited legal resources. In my own experience, a manufacturer violated protected franchise territory requirements. When I objected, the manufacturer's COO stated they would proceed regardless, knowing litigation was likely out of reach financially.

Thank you for the opportunity to testify. I am available to answer any questions in more detail at your convenience.