

My name is Jeff Perry and I am here today along with my colleague Matt Fennig from our warranty service garage in Clawson ,MI representing General Motors in opposition to House bill 1515.

We've heard that manufacturers should pay the same as dealers charge the retail consumers, but it is also clear that we do not have the same relationship with dealers as a retail consumer. To begin our relationship at its core is based on a legal contract - a meeting of the minds. Under that contract each side has agreed to certain benefits and obligations.

Paramount in that agreement, manufacturers provide dealers cars and parts at a discount and the dealer then builds a very profitable business from that. Dealers are guaranteed warranty repair work they do not advertise for and do not compete for with independent shops. They enjoy substantial state protection that smaller independent shops do not. And North Dakota dealers receive millions of dollars each year in bonus support funding from their manufacturers that independent repair shops do not enjoy, and all too often is glossed over in these discussions.

While dealers argue they cannot afford higher wages, financial data submitted by the dealers shows North Dakota dealers averaging a 73% gross profit on warranty labor, similar to the 72% gross profit on customer pay labor. Dealers say this bill is about fair compensation for technicians, but while they want you to mandate what manufacturers pay a dealer, they have not included any similar state mandate directing what a dealer should pay their technician. We are fully committed to paying for work actually performed, but this bill is a money grab, intended only to pay dealers the highest amount of money they can get, regardless of the work actually performed.

GM is committed to fair compensation for warranty repairs, and payment for actual work and time spent repairing the vehicle. We measure repair times meticulously and have processes for dealers to request additional time when needed. In 2024, only about 2% of all repairs requested extra time, with GM approving over 98% of those requests. We are also committed to helping to stabilize and grow dealer technician employment. In 2021, we launched the GM Technician Excellence Program, offering quarterly

bonuses up to \$6,000 per year (or \$12,000 with dealer matching) and funds for new technicians to purchase tools.

We oppose any mandate requiring payment for time not actually spent on repairs, based on estimates from unregulated publishers that admit their times are merely best guesses intended for estimates, not billing. HB 1515 endorses a practice that overcharges North Dakota consumers by billing them based on estimates rather than actual time worked and does nothing to help ensure technicians get a greater share of the money paid to dealers for the work they do.

We urge you to oppose HB 1515.

Jeff Perry
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