

House Transportation Committee Members;

My name is Jon Handy and I am appearing in support of HB 1515. I am the COO of Grand Forks Subaru Kia. As a small North Dakota automobile dealership our service work and service department employees are vital to our success. Today, trying to break even or meet minimum profit levels is very challenging due, in large part, to the way we're being reimbursed by our manufacturers for warranty work.

You have already heard several examples of the discrepancy in the amount of time that the manufacturers provide us. This same issue exists for me, and I can provide examples. However, I would like to focus on just one key point.

Point #1: **Vehicle warranties are provided by the manufacturers, not the dealers.** It is the manufacturer that makes the "warranty" promise to the consumer. The warranty is the manufacturers' obligation; however, they make us pay for their manufacturing mistakes. We have no control regarding how that vehicle was built. If the manufacturers don't design the car correctly or they purchase parts from the least expensive supplier in China, why do they require us to incur the cost for their mistakes or poor business decisions?

I believe that North Dakota's dealers are being taken advantage of by these billion-dollar, global manufacturers. Many of these manufacturers are headquartered in Europe and Asia and they certainly don't do things the way we do them here in North Dakota. I am very glad that they are here, however I also think they need to be held accountable to treat dealerships, technicians and our residents fairly.

I respectfully ask you to please pass this legislation.

Jon Handy
COO
Grand Forks Subaru KIA