

Testimony of Jeff Aiosa on
Raised Bill 7097
AN ACT CONCERNING THE LICENSING OF NEW AND USED CAR DEALERS
Wednesday February 22, 2017
Before the Connecticut General Assembly Joint Committee on Transportation

Good Afternoon, Senator Leone, Senator Boucher, Representative Guerrera, Representative Carney, and members of the Transportation Committee. My name is Jeff Aiosa and I am the owner/operator of Carriage House of New London. I have been a new car dealer for nearly 30 years (more on that shortly). I employ 50 people in good paying full time jobs.

Here's my story; I was born in Brooklyn, New York and grew up in a blue-collar family - my Dad was a plumber. As a young man, my passion was automobiles. I went to an automotive college and after graduating top in my class, I was introduced to the brand I ultimately made a career of.

I started by choice as a Technician and worked my way into management. Less than 10 years into my career, I learned of a bankrupt dealership in New London CT- a place I had never been to before. I sold everything I owned, borrowed as much as I could, found a financial partner and was now a franchised dealer, dream come true.

I am now the youngest dealer owner/operator for my brand in the country.

It was 1990, the cold war had ended, the Gulf war had started, submarine manufacturing trended down, 17 banks went out of business and Governor Weicker imposed a "temporary income tax".

My first recession.

Bell to Bell 6 days a week (blue laws @ the time prohibited Sunday sales) the financial hemorrhaging continued. New car sales were abysmal. On a shoestring, I started a ½ hour statewide Saturday morning TV infomercial called "The Luxury Auto Report". With a leap of faith, I made the investment in a (800) toll free number, provided free pickup and delivery, free service loaners and started to neutralize the losses through pre-owned sales and service. This culture continues today without interruption.

All this was possible through my entrepreneurial spirit and the franchise system. Because of the franchise system, I am on my way to building something that will outlive me.

Our franchised dealer network system is multigenerational. As a first-generation dealer, I too would be proud to have my children succeed me.

When the playing field is level, even someone like myself coming from humble beginnings, can break through; becoming a proud employer and providing good paying jobs that support our local communities.

If you allow for this exception in the law, I fear the future of our industry will be negatively impacted far beyond the success or failure of Tesla. Automobile dealers are not “middlemen”. If we don’t do it, the expense shifts to the manufacturer and, ultimately cost’s the consumer more.

More in money through the lack of intra-brand price competition and more in less consumer advocacy.

Our businesses are more complex than a standalone exclusive Tesla franchise and welcome the challenge of representing one.

Tesla could today sell its vehicles in Connecticut, even at the premium undiscounted prices it presently commands and has commanded for the past almost 10 years - it chooses not to.

If there is going to be a future of Tesla franchised dealers- “Elon Musk’s public remarks” then why are we wasting precious resources and opening the door to probable China, India and beyond manufacturers that may export product potentially less commensurate with our product safety standards.

As franchised dealers, we champion the consumer’s interests; I.E. warranty, recalls, campaigns and are good custodians of combating big company initiatives that are ultimately consumer unfavorable.

The franchise system is efficient, fair for all parties, provides excellent consumer protection and has been around for over 100 years. Let’s be fair to the 32 other manufactures who also have entered the marketplace as startups and respected the law that protects our consumers.

I want to correct testimony from last year’s hearing where Tesla misinformed the committee concerning Connecticut state sales tax. Connecticut does not lose sales tax revenue for vehicles purchased out-of-state. Residents must pay the Connecticut state sales tax on their vehicle upon registering it here in the state. So, there is, in fact, no loss of revenue in purchasing over the border.

Lastly, this is the third year the same bill is up before the legislature. This entire issue is now before the courts and DMV in a hearing. I respectfully request that the legislature defer any action on this while litigation is pending. Let's give the courts a chance to work this out.

Thank you for your time. I am happy to answer any questions.