

Testimony of Jason Vianese 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 Jason Vianese and I am the current General Manager and one of the owners of Richard Chevrolet in Cheshire. I am here today to speak in opposition to 7097, An Act Concerning the Licensing of New and Used Car Dealers.

Currently, our dealership employs 85 people. We are a second generation family owned business that has been in existence since 1975.

The technicians at Richard Chevrolet are trained by the manufacturer to work on the cars we sell. They and the other employees are eligible receive promotions and raises over the years. They are offered health benefits, vacation time, Family and Medical Leave, worker's compensation, and job training.

Our customers know when they buy a car from our dealership they will be able to have it serviced by one of the technicians at the dealership. This begins the relationship with the customer. They know where their car is being serviced and by whom their car is being taken care of. They may call the service line and speak to the person working on their car providing nothing but excellent customer care.

The customers at Richard Chevrolet also know that if there is a recall on a part they may bring the car to the dealership and we will be able to assist them with the recall. We are working with them to have the recall taken care of in the most efficient way possible. We also work on car issues that arise and are covered by the warranty. We are the go between for a customer and the manufacturer. The customer does not need to talk to the manufacturer; we at the dealership do that for them.

The dealerships have a strong incentive to complete the repair work and keep their local customers happy. Tesla as a manufacturer will not have the same incentive. For a dealership, warranty work is not an expense. For Tesla, it is. And the repair work would not be local.

If Tesla opens up a store in Connecticut, they will outsource their repairs, recalls and warranty work. Repairs will not be done in the store where the vehicle was purchased. There will be a conflict of interest with recall work on a Tesla. Decisions about warranty and recall work and lemon law claims should not be directly dealt with by the Manufacturer because they bear the cost and expenses for such work or claims and have a vested interest in denying that such work or claims are covered. This is a significant

difference between the pro-consumer franchise system and the Tesla pro-manufacturer direct-sale system.

My dealership, and all 270 Connecticut dealers, are compensated by the manufacturer when we do warranty and recall work. It is not a cost to us and that enables us to advocate for our customers. We protect the interests of our customers by getting them the parts they need or making loaners available to them while manufacturers figure out the fix for the vehicles.

Tesla, and some other large Asian manufacturers, hope Connecticut will allow direct sales because they can then bypass locally owned dealerships and employees and associated consumer protections guaranteed under our laws.

On top of that, this legislation will not allow for additional jobs in our current franchise system, which is not conducive for a growing community. If Tesla chose to work within the franchise system in Connecticut, additional jobs would be added. The Tesla model outsources half of the jobs that are created in local dealership. Providing a car to a consumer and running a dealership under franchises system involves much more than salespersons as we all know, it also requires in-state, onsite backroom operations employees for business development, finance, human resources, body shop and parts employees to keep items readily available for onsite service, repairs and recall work. Tesla outsources these types of jobs so, direct factory owned stores would add just ½ the jobs as the same store under the franchised system. Most importantly the franchise system's local employment base allows for fast and direct customer care in-state, not hundreds or thousands of miles away. This is how the franchises system would benefit local job creation and increased employment opportunities.

Richard Chevrolet knows that our customers are our neighbors. We work in and live in our communities. We invest in Cheshire and our surrounding communities through sponsorships and support of charitable organizations such as Mother Against Drunk Driving, Cheshire Lights of Hope, and the American Cancer Society to name just a few.

I urge you not to support 7097. This is a bill that will damage a sector of Connecticut businesses for no reason. Tesla is able to sell in Connecticut now and should do so under the current laws. By requiring Tesla to abide by current franchise law, you protect Connecticut customers, provide more jobs to Connecticut residents, and strengthen our community. This bill is unnecessary.

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