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PRESENTATION OF
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
REGULATED INDUSTRIES COMPLAINTS OFFICE

TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE

TWENTY-SIXTH STATE LEGISLATURE
REGULAR SESSION, 2011

WEDNESDAY, FEBRUARY 2, 2011
2:05 P.M.

TESTIMONY ON HOUSE BILL NO. 1543
RELATING TO THE MOTOR VEHICLE INDUSTRY LICENSING LAW

TO THE HONORABLE ROBERT N. HERKES, CHAIR,
AND TO THE HONORABLE RYAN I. YAMANE, VICE CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on House Bill No. 1543, Relating To the Motor Vehicle Industry Licensing Law. My name is Jo Ann Uchida of the Department's Regulated Industries Complaints Office ("RICO"). The Department supports this bill.

Act 164 (2010) amended Chapter 437, Hawaii Revised Statutes ("HRS"), to establish certain rights and duties among motor vehicle dealers, distributors, and

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February 2, 2011
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manufacturers. In doing so, a new part to Chapter 437, HRS, was created that differentiated manufacturer, distributor, and dealer disputes from the rest of Chapter 437, HRS. This bill reconciles the section of the law relating to private action with the new language in part II of Chapter 437, HRS.

Thank you for this opportunity to testify on House Bill No. 1543. I will be happy to answer any questions that the members of the Committee may have.

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TO: Representative Robert N. Herkes
Chair, Committee on Consumer Protection & Commerce
Hawaii State Capitol, Room 325
Via Email: CPCtestimony@Capitol.hawaii.gov

FROM: Gary M. Slovin

DATE: February 1, 2011

RE: **H.B. 1543 – Relating to the Motor Vehicle Industry Licensing Law
Hearing: Wednesday, February 2, 2011 at 2:05 p.m.**

Dear Chair Herkes and Members of the Committee on Consumer Protection & Commerce:

I am Gary Slovin, testifying on behalf of the Alliance of Automobile Manufacturers (“Alliance”). The Alliance is a trade association representing twelve car and light truck manufacturers, including: BMW, Chrysler, Ford, GM, Jaguar Land Rover, Mazda, Mercedes-Benz, Mitsubishi, Porsche, Toyota, Volkswagen and Volvo.

The Alliance supports H.B. 1543, which makes clarifying amendments to the motor vehicle industry licensing act.

During the 2010 Legislative Session, the Alliance worked closely with the Hawai‘i Automobile Dealers Association (“HADA”) to reach agreement with regard to the proposed—and ultimately adopted—amendments to the Motor Vehicle Industry Licensing law, Chapter 437 of the Hawai‘i Revised Statutes.

H.B. 1543 provides amendments that are consistent with the agreement reached with HADA last year. For this reason, the Alliance supports this measure.

Thank you very much for the opportunity to testify on this matter.

HADA Testimony
in STRONG SUPPORT of HB1543
RELATING TO THE MOTOR VEHICLE INDUSTRY LICENSING ACT

Submitted to the House Committee on Consumer Protection and Commerce
for the public hearing 2:05 p.m. Wednesday February 2, 2011
Room 325, Hawaii State Capitol

Chair Herkes, Vice Chair Yamane and members of the committee:

The members of the Hawaii Automobile Dealers Association, Hawaii's franchised new car dealers, several of whom are also Hawaii licensed distributors, thank you for the early session hearing on this housekeeping measure.

This housekeeping language is being sought to insure that Hawaii licensed distributors are provided the same provisions as those included for dealers in last year's legislation-- along with the attachment of the legal remedies available to licensees.

Such was the agreement reached by all stakeholders last year, however, a reformatting of the bill in the last days of last session omitted the connection of distributors to "Part II" where the distributor and legal remedies provisions were placed.

HADA has contacted all stakeholders from last year and has received confirmation that the connection of the distributors through the proposed language this year conforms with the intent of all the stakeholders involved. The members of the Hawaii Automobile Dealers Association have confirmed such with The Alliance of Automobile Manufacturers, the members of the Motor Vehicle Industry Licensing Board, and JoAnn Uchida at RICO, who confirmed such with officials at the Department of Commerce and Consumer Affairs.

In that it was the intent of all the stakeholders and drafters of the Motor Vehicle Industry Licensing Act measure passed last session that licensed distributors should have the same rights and protections provided to licensed dealers by Part II, the reference to "Part II" is included in the appropriate paragraphs relating to distributors in this year's housekeeping legislation.

Again, this year's housekeeping bill, which facilitates inclusion of distributors, was the intent of all the stakeholders, and was in all drafts before the reformatting; this housekeeping bill also specifies that legal remedies shall be available to all licensees.

The members of the Hawaii Automobile Dealers Association are much appreciative of the quick attention paid to this bill and respectfully request support for HB1543.

Respectfully submitted,

David H. Rolf

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**PRESENTATION OF THE
MOTOR VEHICLE INDUSTRY LICENSING BOARD**

TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

TWENTY-SIXTH LEGISLATURE
Regular Session of 2011

Wednesday, February 2, 2011
2:05 p.m.

**TESTIMONY ON HOUSE BILL NO. 1543, RELATING TO THE MOTOR
VEHICLE INDUSTRY LICENSING LAW.**

TO THE HONORABLE ROBERT N. HERKES, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Werner Umbhau and I am the Chairperson and a public member of the Motor Vehicle Industry Licensing Board ("Board"). Thank you for the opportunity to submit testimony in support of House Bill No. 1543, Relating to the Motor Vehicle Industry Licensing Act. The Board previously met on this bill and authorized me to speak on its behalf.

Act 164, SLH 2010 amended Chapter 437, Hawaii Revised Statutes ("HRS"), and resulted in the creation of a new part, entitled "Part II Manufacturer, Distributor, and Dealer Disputes". Part II set aside disputes and the handling of disputes that could arise between motor vehicle manufacturers and/or their designated motor vehicle distributors and the motor vehicle dealers that represent them, from the rest of the regulatory scheme found in Chapter 437, HRS.

This measure proposes amendments to clarify the Motor Vehicle Industry Licensing Act, Chapter 437, HRS, as it pertains to motor vehicle distributors only.

Thank you for the opportunity to testify in favor of House Bill No. 1543.