



**MOTORCYCLE
INDUSTRY
COUNCIL®**

March 21, 2017

The Honorable Lee Beyer
Chair
Senate Business and Transportation Committee
Oregon State Capitol
900 Court St. NE
Salem, OR 97301

The Honorable Chuck Thomsen
Vice-Chair
Senate Business and Transportation Committee
Oregon State Capitol
900 Court St. NE
Salem, OR 97301

Dear Chairman Beyer, Vice-Chairman Thomsen and Members of the Committee:

The Motorcycle Industry Council (MIC) is a not-for-profit, national trade association representing manufacturers and distributors of motorcycles, scooters, motorcycle/ATV parts and accessories and members of allied trades.

MIC is opposed to SB 980 and we urge you to exclude motorcycles from its provisions. It is important to note that SB 980 was drafted to address automobile dealer concerns, namely as a result of faulty airbags in certain vehicles where no replacement parts were available. Yet motorcycles are included by virtue of their inclusion in the motor vehicle franchise law. Rather than through a patchwork of state regulations, a better result may be to let remedies relating to stop-sales for used automobiles work through the legal system that is currently in place for these types of matters or through a comprehensive federal process facilitated through the National Highway Traffic Safety Administration, which administers federal recall regulations for on-highway vehicles. Concerns with certain used automobiles can be addressed without unnecessarily regulating the motorcycle industry which is not the impetus for SB 980.

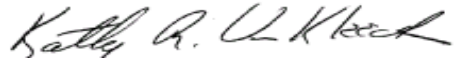
Consumer safety is our member companies' priority. All of the original equipment manufacturers and distributors (OEMs) that we represent currently have well-functioning recall processes with their dealers. Dealer agreements spell out responsibilities relating to timely completion of recall repairs. Further, SB 980's recall repair compensation scheme for certain used vehicles is beyond the scope of dealer franchise law because it extends the liability of a dealer's used vehicle purchases to new vehicle OEMs.

In the past during stop-sales with new vehicles, affected motorcycle OEMs have, among other things, provided financial help in the form of "flooring aid" to dealers for new unit product on their showroom floors. However, these actions have only been associated with new/unsold units, which is within the direct business to business, dealer/OEM relationship. Motorcycle OEMs should not be held liable for used vehicle purchases because a dealer's decision to buy used vehicles is beyond the OEM's direct, new vehicle, business to business relationship with the dealer. Motorcycle OEMs do not have any involvement in the dealer's profit when they re-sell used vehicles. Perhaps if the dealer shared its resale profit with the OEM, then there would be the necessary connection to share in the risk of shared flooring expenses for used vehicles.

Again, when stop-sales are issued for new vehicles, motorcycle OEMs have ethically responded to their business to business relationships with authorized dealers and have extended financial support to dealers.

Thank you for your consideration of our comments. We urge that you amend SB 980 to exclude motorcycles from its provisions.

Respectfully submitted:

A handwritten signature in cursive script that reads "Kathy R. Van Kleeck".

Kathy R. Van Kleeck

Sr. Vice President, Government Relations