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VIA FEDERAL EXPRESS & ONLINE SUBMISSION

Federal Trade Commission
Office of the Secretary
Constitution Center
400 Seventh Street, SW
Room 5610
Washington, DC 20024

Re: *Auto Distribution Workshop, Project No. P131202 (January 19, 2016)*

Dear Commissioners:

The undersigned is General Counsel for the Louisiana Automobile Dealers Association (“LADA”). This is a trade association consisting of 345 franchised new vehicle dealers in the State of Louisiana. With very rare exception, each one of these franchisees is family owned. Accordingly, on behalf of LADA and its members, we are taking the opportunity to comment on the recent workshop of January 19, 2016 in Washington.

First, it is critical for the Commission to understand the importance to the communities of these locally-owned franchised dealers. In small communities, they are, in many instances, one of the largest, if not the largest, employer in the private sector. In larger communities, without fail, these dealers and their employees are active members in the community supporting charitable work of their choosing.

This is important. Having local ownership of the last piece of the distribution chain for new vehicles establishes direct accountability, flexibility, autonomy and far better service. Purchasing a vehicle is, in most consumers’ cases, the second biggest purchase they will make in their lives. We ask the Commission to compare a Wal-Mart to a locally-owned hardware store. We ask the Commission to compare calling someone you know if you have a problem versus an 800 number with multiple voice mail prompts. Having the aforementioned access and accountability is critical for such an important decision. Folks in Baton Rouge, Louisiana, really do not want to deal with people in California or Michigan or a call center in India.

Louisiana has an extensive motor vehicle franchise law, which governs not only dealers, but also manufacturers, who must also be licensed in the State of Louisiana. The law is administered by the Louisiana Motor Vehicle Commission, which is proactive in protecting consumers and maintaining the integrity of the relationship between dealers and manufacturers. As to that latter point, because the franchise agreements are exclusive because manufacturers are

the sole source of the product to be distributed to the consumer, it creates an uneven bargaining power between the dealers and the manufacturers. The Louisiana Motor Vehicle Commission, acting under the Louisiana Motor Vehicle Franchise Act, affects a balance between dealers and manufacturers.

Accordingly, LADA welcomes the FTC's examination of the distribution channels for new vehicles. However, that investigation must be unbiased, and there has to be a realization on the part of the FTC as to the importance in the distribution channel and to the consumer of having direct access to locally-owned franchised dealers.

We respectfully thank the Commission for its consideration of our comments.

Very truly yours,

BREAZEALE, SACHSE & WILSON, L.L.P.



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