

SPEAKER BARRETT: Senator Ashford.

SENATOR ASHFORD: Thank you. I guess I have several responses. One of the first ones would be that this bill has been introduced for three months now, or two and a half months now. It went through a committee process and none of...there was absolutely no issue raised at that committee hearing by anyone. There was a small issue raised by Mike Kelley, lobbyist for some retailers and I think we've talked about that with him and I believe, and satisfied him, having to do with rotation of product. The whole area of franchise law throughout the country has undergone a significant amount of change in the last 20 years and, in fact, franchise...if there is any area of law that has undergone more change, I don't really know what it is. For years and years franchise law was basically handled through the common law, that contractual arrangements were entered into between auto dealers, for example, and their franchisee or licensee. Agreements were entered into between suppliers of all kinds of products and what is very interesting about the franchise law is that in many cases and what is the most telling problem for me, especially under the common law, is that most franchisors do not locate in Nebraska. Most franchisors are large corporations located some place else other than Nebraska and the law, the common law as it developed, especially in the federal courts, in many cases was very, very protective of the franchisor. If you go back to the...many Supreme Court cases in the twenties and in the thirties that developed out of the automobile franchise arrangements, the tremendous power placed in the hands of the Ford Motor Company, the Chrysler Auto Corporation in basically...in dictating to independent business people in local areas who put significant investments. One of the interesting things about franchises, if you've ever read an agreement, and I have done quite a bit of work in the franchise area, if you've ever read an agreement, a franchise agreement, it is a very long, complex document and I'm specifically familiar with the franchise law in respect to auto dealers. And I'll tell you, I would hate to invest hundreds of thousands of dollars that these franchisees invest with the kind of security that is provided in most of those franchise agreements. And under the common law most of those franchise agreements were iron-clad and they were primarily enforced against the small independent, in this case, Nebraska franchisee, and I have many examples of ca...we can go through cases I've had where franchisees have lost substantial investments because of a