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creates the warranty, and the dealer provides the service. Many years ago, the manufacturers found that they could reduce their expenses by setting a very low reimbursement rate on...

SPEAKER BROMM: Members, if I could have your attention please. Senator Aguilar was opening, and it's very difficult to hear. Thank you.

SENATOR AGUILAR: ...reduce their expense by setting very low reimbursement rates on parts and labor. Thus, the dealer was required to fix the truck under warranty, and the manufacturer of the truck refused to pay the reasonable cost of the work. To solve that problem, Nebraska, like many other states, passed a law requiring the manufacturer to pay the dealer at the dealer's lowest rate on both parts and labor within 30 days of the work being performed. Under our law now, when Ford manufactures a truck and a Ford dealer performs warranty work, Ford must pay the dealer's lowest part for labor and parts within 30 days. Unfortunately, some truck manufacturers have found a way to avoid the law. Some large truck manufacturers build trucks with an engine, transmission, or rear axle made by someone else. The dealer is still required to perform the warranty work, but now the truck manufacturer refuses to pay as provided in the Nebraska statute for work done on the engine, transmission, or rear axle that was made by another manufacturer. These truck manufacturers simply say, those major component parts were not made by them, and the law does not apply to an engine manufacturer or a transmission manufacturer. Even though the truck had those items in it when the truck was sold new, they refuse to pay. The motor vehicle manufacturer tells the vehicle owner or dealer to ask the company that built the engine, transmission, or rear axle for warranty coverage. The manufacturer which...chose which builder to use for the major items and has a business relationship with them. The dealer does not. Yet the manufacturer forces the dealer to be subjected to the third party's refusal to pay. LB 371 simply makes the original truck manufacturer jointly and severally responsible to comply with the current law. Thus, the truck manufacturer will have to pay, together with the builder they chose to make the major component part. So under LB 371, if Freightliner builds a truck with a Cummins engine, and a