

March 17, 2008

House of Representatives  
Committee on the Judiciary  
Subcommittee on Commercial  
and Administrative Law  
2138 Rayburn House Office Building  
Washington, DC 20515

**Re: H.R. 5312, the Automobile Arbitration Fairness Act of 2008**

Chairman Sanchez, Members of the Committee:

I am writing on behalf of the National Association of Dealer Counsel to express our association's opposition to H.R. 5312, *The Automobile Arbitration Fairness Act of 2008*.

The National Association of Dealer Counsel is a trade association of nearly 500 attorneys and association executives representing the interests of motor vehicle dealers throughout the United States. The NADC provides many opportunities for its members to share information concerning the numerous laws affecting the businesses of the motor vehicle dealers they represent. The Association hosts national conferences and workshops at which members can earn continuing legal education credits. It also regularly publishes a magazine that updates members on legal trends affecting motor vehicle dealers. The Association has an internet bulletin board and an email exchange in which members can ask questions, share information, report new legal theories and experiences, and generally help to keep their peers up to date on trends.

Pre-dispute arbitration provisions in vehicle sale agreements are regularly discussed when members share their experiences. The discussions reveal that the topic of arbitration is subject to varied perspectives and is not universally accepted by all dealer counsel as the best course of dealing for dealers. Arbitration is not viewed as the be all, end all, tool for dealers to succeed over consumers in disputes. Rather, the split indicates that arbitration is a fair and even-handed process for both dealers and consumers. To illustrate, the two basic issues covered are:

1. Courts have been vigorous in ensuring that pre-dispute arbitration agreements reflect a true voluntary agreement by the parties to a vehicle sale contract. Thus, pre-dispute arbitration provisions must be scrupulously fair to both buyer and seller.
2. Arbitration does not universally favor either buyers or sellers. It certainly is not a tool that sellers use to oppress buyers.