

From: BIERER Axel (COMP)
Sent: 08 September 2008 09:48
To: COMP E2 MAIL
Subject: A/15819 - Discontinuation of the motor vehicle BER

From: verwaltung@auto-schirak.at [mailto:verwaltung@auto-schirak.at]
Sent: Tuesday, July 29, 2008 1:57 PM
To: COMP E2 MAIL
Cc: Christoph.Wychera@wko.at
Subject: A/15819 - Discontinuation of the motor vehicle BER

European Union
DG Competition

St Pölten, July 2008

Dear Sirs,

As a medium-sized company with a total of three outlets and 70 employees, we operate in the motor vehicle sales and repair sector in a marketing territory with approximately 130 000 inhabitants and a potential overall car market of on average 8 000 units a year.

To give some idea of the financial side of the business, annual sales of some 800 new and 500 used cars are vital to us.

These minimum quantities translate in our marketing territory into a market share of about 10%, a figure we are able to achieve only by selling in parallel at the present time seven brands (Nissan, Fiat, Alfa Romeo, Lancia, Volvo, Land Rover and Jaguar).

In this extremely difficult context it is only at the cost of a considerable effort and by exposing ourselves to a high financial risk that we have earned a profit of around 0.8% on total pre-tax turnover, and this at a time when cut-throat competition is sending many businesses to the wall.

An even greater threat to our existence would be posed, however, if, as is rumoured from time to time, the current motor vehicle block exemption Regulation were to be shelved as from 2010 or replaced by the - from the car sector's point of view - wholly inadequate "umbrella" BER.

This would mean that, as in the past, firms of our size would once more be fair game for the motor manufacturers.

For us, the continued existence of the various provisions of the current BER is indispensable. Above all, there should be no countenancing of any ratcheting-up of manufacturers' standards to the detriment of dealers.

The provision allowing the sale of several brands under one roof is thus a matter of life or death to our business and must be safeguarded also for the future.

A contrario, the continuing "imbalance" in the relationship between manufacturers and dealers to the detriment of dealers should be remedied as soon as possible. The dominant position of manufacturers on the market, which is particularly appreciable in the area of warranty and guarantee payments, is already simply intolerable.

All in all, the expiry of the current BER or a shift to application of the umbrella BER would threaten small and medium-sized car businesses with oblivion, something which would run diametrically counter to the repeatedly avowed

intentions of EU circles to maintain and secure such businesses.

In the car sector, small and medium-sized businesses are, because of the topographical structure of our country, the best guarantee of strong, country-wide functioning competition and an associated safeguarding of repair and spare part provision to the benefit of the consumer.

Any further endangering of such businesses, important as they are to our economy, would lead to their financial extinction.

From an Austrian viewpoint, any such diktat from Brussels would not help to increase the already wavering Austrian support for the EU.

We would ask you to take all these points into consideration when you make your future decisions regarding the sale and maintenance of motor vehicles and we hope as a medium-sized firm to still have some chance of economic survival in the car sector in future.

(Complimentary close)

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