COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION SUBCOMMITTEE ON CONSUMER AFFAIRS, PRODUCT SAFETY, AND INSURANCE

HEARING ON COMPLIANCE WITH ALL-TERRAIN VEHICLE STANDARDS JUNE 6, 2006

STATEMENT OF

BRETT WILLIAMS COLEMAN POWERSPORTS

Mr. Chairman and Members of the Subcommittee, I want to thank you for the opportunity to appear here this morning. My name is Brett Williams. I am the General Manager of Coleman PowerSports. We have two Coleman PowerSports stores in Virginia, located in Falls Church and Woodbridge, where we employ over 120 persons. Our dealership originally opened in 1963 and is part of PowerRide MotorSports, Inc., a network of seven dealerships across the United States. Coleman PowerSports handles a wide range of motorized products, including all-terrain vehicles ("ATVs").

ATVs are a major part of our business at Coleman PowerSports. ATVs are terrific products that can be used for a wide range of things. Some models are primarily for recreational use; other models can be used for all sorts of practical purposes, such as light hauling, transportation around family farms or work places, or getting out to favorite trails or hunting places.

We sell a lot of ATVs to customers in the greater Washington metropolitan area and beyond. Some customers enjoy ATV outings with their entire families. There are local ATV riding clubs that also sponsor different riding events. It's a great way for people to get out and enjoy the outdoors. Like our customers, the vast majority of ATV enthusiasts are responsible

citizens who care about their families and their rights to participate together in recreational activities.

As General Manager, I oversee our dealership's sales practices. Coleman Motorsports sells several brands of ATVs from the major manufacturers, including Bombardier, Honda, Kawasaki, Suzuki, Polaris, and Yamaha. We have been very satisfied with the quality of these vehicles, which are manufactured in accordance with the ATV industry's voluntary product standards. Our customers have also been satisfied with the quality of these products -- in fact, many of them are repeat buyers.

In addition, the major ATV manufacturers require us to take many steps to promote safe and proper use of the vehicles. At Coleman PowerSports, we believe that these requirements are part of responsible selling practices. We take these practices seriously because we care about our customers and want their ATV experiences to be safe and enjoyable. All responsible dealers do. For example, all of our sales personnel are trained about the minimum age recommendations for the different ATV models. We expect all of our sales personnel to follow these requirements, and we do not allow adult-size ATVs, which are models with engine displacements of 90cc or greater, to be sold for use by children under 16. Our dealership agreements with the major ATV manufacturers prohibit such sales, and we make every effort at Coleman PowerSports to make sure that these requirements are followed.

We also know that the manufacturers and the CPSC send investigators, posing as shoppers, to test whether our dealership is following the minimum age recommendations. Our dealership works hard to make sure all sales personnel comply with these directives. As General Manager, I want to keep it that way.

Our dealership also promotes the free hands-on training programs offered by the major ATV manufacturers. The training program is a great way for new customers to gain experience and knowledge of safe riding practices. In addition, we provide all new ATV purchasers with a safety alert, a safety video, and other instructional materials when they buy an ATV. We sell helmets, protective gear, and other riding accessories, and encourage new purchasers to make sure they are properly outfitted before they start using their ATVs.

We believe that all of these efforts make a difference. Most of our customers enjoy their ATVs year after year without any accident or problem. Unfortunately, when we read about ATV-related accidents in the newspaper or hear about them from a customer, they almost always involve use of the vehicles in ways that are expressly warned-against in the safety materials and on-product labels. This includes letting children under 16 operate adult-size ATVs, carrying passengers, and riding without helmets or other protective gear. These activities go to the use of the vehicles. We can do our part in educating consumers, but once they take an ATV out of the dealer showroom, they assume responsibility for how it is used. Parents and adults should always supervise children operating ATVs. Of course, adults also need to exercise good judgment and follow the warnings and instructions on the vehicles when they ride. By demonstrating safe and responsible riding practices, parents are the most effective models for teaching their kids to ride safe too.

Most ATV users want to do the right thing, especially parents. There's a lot of good safety information available to ATV riders. We need to continue to encourage them to pay attention to it. We also believe that state ATV safety laws are another potentially effective way to promote safe and responsible use of the vehicles. However, we do not support the proposed federal ban on dealer sales of adult-size ATVs for use by children under 16. As I previously

indicated, the major ATV manufacturers already prohibit us from making such sales. The problem is not in the dealer showrooms. It is out where the products are being used. So if you really want to make a positive difference on ATV safety, the focus should be ensuring American consumers have safely-designed, quality products and are given the appropriate riding instructions, warnings, and training to use their ATVs safely and responsibly. Passing a federal law that is targeted against small independent businesses, like our dealerships, is nothing more than a political gesture that will have no positive real world effect.

There is a role, however, for meaningful federal legislation. Over the past several years, there has been a flood of new ATV products, mostly from China and Taiwan, that are being sold through non-traditional retail outlets, including the Internet and big box stores. These products are poorly made, do not comply with the ATV industry's voluntary standards, and are being sold with virtually no safety, training, or product support. By short-cutting on quality and safety, these products are being sold at cheaper prices and steadily gaining greater and greater market share, but at unacceptable costs to consumers from a safety and reliability standpoint. A number of Virginia consumers have brought these non-compliant ATVs to our dealership for repair. The units are so poorly made that repair is not an option. And we simply cannot assume the risk of even trying to fix these vehicles, given their shoddy construction and the obvious safety hazards they create. Instead, we tell consumers to dispose of them and to only purchase ATVs that comply with the industry's voluntary standards and provide the type of safety, training, and product support that the major ATV companies offer.

All manufacturers, distributors, and retailers that sell ATVs in the United States should be held to the same standards. The continuing flood of these non-compliant ATVs hurts our business, unfairly harms the reputation of the entire ATV industry, and -- most importantly --

undermines the safety of U.S. consumers. On behalf of all the ATV dealers in Virginia and across the country, we ask that this Subcommittee consider federal legislation that provides a level-playing field for ATV safety, by ensuring that (1) all U.S. consumers receive adequate safety information and training opportunities, and (2) all ATV manufacturers and distributors -- domestic and foreign -- are held to the same product safety and quality standards. That type of federal law would make a positive and immediate difference, and it should be enacted as soon as possible to promote the safety of U.S. consumers and to end the unfair and unethical practices of these new entrants who are damaging the industry and small businesses like our dealership.

Thank you again for the opportunity to participate in this morning's hearing. I welcome your questions.