

213<sup>TH</sup> NEW JERSEY LEGISLATURE  
ASSEMBLY TRANSPORTATION COMMITTEE  
HON. JOHN S. WISNIEWSKI

# TESTIMONY

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EBBIE ASHABI

Exxon Lessee

President of the United Dealers of New Jersey Coalition

A-3726

An Act concerning motor fuel franchises

Support

March 12, 2009

COMMITTEE ROOM 11  
TRENTON, NJ 08625

**Testimony of Ebbie Ashabi**  
**A-3726—Support**

Chairman Wisniewski, Vice-Chair Stender, and honorable members of the committee. My name is Ebbie Ashabe, I have been an Exxon lessee dealer for the past nine years, with stations located in Ramsey and Newfoundland, and currently serve as the President of the United Dealers of New Jersey. As a franchisee of Exxon, I believe that this legislation provides necessary protections for franchisees without posing unnecessary harm to Exxon or any other franchisor of motor fuels in New Jersey. The passage of A-3726 will preserve competition, allow franchisees to purchase the stations many have spent their life building, and provide a new level of fairness in the New Jersey Franchise Act.

When I purchased the franchise for Ramsey in 2000, the volume of the station was 125,000 gallons per month. Through my hard work and that of my employees, that stations volume has climbed to 400,000 gallons per month. The Newfoundland franchise was purchased in 2001 with a volume of 90,000 gallons, which has now climbed to over 300,000 gallons per month. The idea that ExxonMobil will not even contemplate allowing me purchase this station is mind-boggling. Attached to this testimony is a letter I sent to the CEO of ExxonMobil requesting a meeting to discuss the ramifications of their decision to exit marketing in New Jersey. I wrote in that letter, and I repeat today, “I am not anti-Exxon,” nor do I believe this legislation is anti-Exxon.

This legislation has no losers, but without this legislation there will be losers—the consumers and small businesses in New Jersey. ExxonMobil has made it clear that they will only deal with a major distributor in the sale of these properties, unless this legislation is passed. However, there is no distributor that has the economic resources of ExxonMobil, and any distributor purchasing these properties will have to overreach financially to acquire them. Quite predictably, this will result in significantly higher expenses for Franchisees through increased rents, higher maintenance fees, and most significant for consumers higher gas prices. My blood, sweat, and tears went into making these stations what it is today, and this legislation is needed to prevent Exxon from selling these stations out from underneath me.

Finally, I would like to illustrate just how much I lose, and Exxon gains through divesting my property. When Exxon sells my locations to a distributor they are not just selling the building, awnings, canopy, and underground storage tanks; but they are also selling the increased volume that I have built into this property. In exchange, I am left with a franchise that is virtually worthless. Last Spring, someone approached me with an offer for my Exxon Franchise in Newfoundland; however, shortly after the announcement of divestiture my franchise value plummeted, and that person rescinded their offer.

As a business owner, I ask you to please vote to move A-3726 out of committee today for my stations, the 14 people I employ, and their families. However, as the President of the United Dealers of New Jersey, I ask you to vote for this bill for the 240 other stations, the thousands of employees they represent, and the consumers of New Jersey.

Please vote yes on A-3726

Thank You,  
Ebbie Ashabi