



Dannel P. Malloy

GOVERNOR
STATE OF CONNECTICUT

October 3, 2016

Mark A. Shaw, President and CEO
AAA Southern New England, Inc.
110 Royal Little Drive
Providence, RI 02904

Dear Mr. Shaw,

I am writing to you today with a sense of urgency to express my concern and deep disappointment at a recent decision by your AAA regional club – “AAA Northeast” – to discontinue driver licensing services for the general public, services you have offered since 2001. I am asking that you reverse that decision and preserve AAA’s reputation and commitment to the citizens of Connecticut.

On September 23, 2016, your office contacted the Connecticut Department of Motor Vehicles (DMV) to alert the Department that your eight AAA offices would discontinue offering licensing services to the general public, including both AAA members and non-members. Following this outreach, on September 28 you indicated that you would continue to serve your members, but would no longer serve non-members. Despite repeated outreach from the DMV Commissioner to dissuade AAA Northeast from any service disruption whatsoever, this morning you confirmed that you would not honor your contract, and have instead already moved forward with plans to provide licensing services only to AAA members.

This is unacceptable. AAA Northeast’s decision to stop servicing non-members is rather shocking since Connecticut has always valued our working relationship with AAA. The State of Connecticut and AAA have enjoyed a mutually beneficial private-public partnership for many years. Up to this point, the history of our partnership has been nothing but positive.

Since 1992, Connecticut has expanded photo-license renewal services to all AAA affiliates across the State, offering non-members a convenient alternative to DMV and offering AAA an opportunity to grow its membership. AAA Northeast estimates roughly 10 percent of non-members who use its services become AAA members, and its customer transactions grew by 14.3 percent in recent months, providing more opportunity for membership growth.

In 2007, DMV submitted a legislative proposal to the Connecticut Legislature, to codify the DMV’s relationship with AAA and allow AAA affiliates in Connecticut to charge \$2 for license renewal services. Before the Transportation Committee, Thomas Wiedemann, testifying on behalf of the AAA affiliates in Connecticut, stated that AAA was committed to offering this service to both club members and the general public and that this \$2 convenience fee was necessary to help mitigate costs.

In 2016, AAA affiliates approached the Commissioner of DMV to express an interest in AAA performing registration renewal services – in addition to licensing – to help lower DMV wait-times and lessen the burden on the agency. With support from the Legislature and my office, this was made a reality.

Additionally, DMV currently supports AAA Northeast with approximately \$304,000 annually through training, IT support, telecommunications equipment, and fiscal oversight. AAA Northeast also requested new workstation equipment for each of its eight locations to properly perform these new registration renewal functions. The eight stations are estimated to cost a total of \$80,200.

Finally, AAA Northeast has a contract in place with DMV through which it is obligated to provide services to the general public and that requires it to provide 60 days written notice prior to termination of that contract. Not only is this notice requirement part of the contract, it is also necessary to ensure a smooth transition for the public.

If AAA Northeast continues to maintain its position that it will refuse to serve non-members, I will direct DMV to take any and all necessary legal steps to resolve this matter. DMV has made real, demonstrable progress throughout this year to lower wait times and improve customer experience. We will not allow the actions of AAA Northeast to disrupt that progress.

DMV and AAA Northeast have had a beneficial and productive relationship that has served the general public well until your recent, unilateral decision to stop serving non-members. I should note that Connecticut enjoys a strong partnership with the state's other AAA affiliate, "AAA Allied." It continues to meet its obligations and we are very satisfied with its current services. Since AAA Northeast made its decision, DMV engaged AAA Allied in a discussion and confirmed that its business model of serving all customers, both members and non-members, works well and it will continue to serve the general public.

I hope you can understand my disappointment with AAA Northeast and I thank you for your time and consideration. I look forward to hearing from you regarding any options that you may offer to resolve this matter.

Regards,



Dannel P. Malloy
Governor

CC:

Marshall L. Doney, President and Chief Executive Officer, AAA National Office

Karen Christiana, Manager, AAA Allied Group

Andrew Maynard, Co-Chair, CGA Transportation Committee

Tony Guerrero, Co-Chair, CGA Transportation Committee

Carlo Leone, Vice-Chair, CGA Transportation Committee

Angel Arce, Vice-Chair, CGA Transportation Committee

Toni Boucher, Ranking Member, CGA Transportation Committee

Tom O'Dea, Ranking Member, CGA Transportation Committee