



*Our Members Bring Choice, Value & Innovation To Agriculture*

January 14, 2014

The Honorable William Botzow  
House Committee on Commerce and Economic Development  
Vermont State Legislature  
Room 35 115 State Street  
Montpelier, VT 05633

Dear Chairman Botzow:

On behalf of member companies of the Farm Equipment Manufacturers Association, I am writing to convey our deep concerns with many of the new provisions in H.58 and the additional language, I learned of today, supported by the Northeast Equipment Dealers Association.

Our Association represents over 700 manufacturers, suppliers and distributors of what is often referred to as "shortline" or "specialty" farm equipment. The majority of our manufacturing members are small, family-owned and operated companies that have a long history of providing choice, value and innovation to farmers in North America.

It is our position that when specific issues arise between manufacturers of shortline farm equipment and their distribution network, the issues can best be resolved with good faith negotiations between the parties involved and without the need for broad "one size fits all" legislation.

Our manufacturing members compete with great vigor for the local dealer's business, and in no way do they possess the ability, history or desire to use coercion, threats or intimidation to force any dealer into agreeing to one-sided language in any contract. In fact, recent dealer consolidations often leave the dealer groups with the upper hand when it comes to contract negotiations dealing with termination, warranty and "pre-delivery" obligations created by this legislation.

H.58 clearly interferes with the private contractual relationship between a small manufacturer and their dealers, is not in the best interest of the consumer, and is bad public policy.

While we respectfully urge you to oppose this legislation, our Association and its members welcome the opportunity to work with the bills sponsor, and the farm equipment dealers in Vermont, on any issues that need to be addressed. We suggest that provisions in current law providing special relief for very large suppliers of "single line dealers," (e.g., Caterpillar) while subjecting small manufacturers to all of the statutes provisions, should be one of the first areas addressed.

Best Regards,

Vernon F. Schmidt  
Executive Vice President