

**Dear Chairman Botzow II and Members of the Vermont House Commerce and Economic Development Committee:** First and foremost, thanks for your public service and leadership for Vermont. As you may be aware, **John Deere is opposed to S 224: Equipment Dealer Contracts which is scheduled for consideration by your Commerce and Economic Development Committee on Thursday, March 31.** Contrary to some of the debate that has surfaced around this legislation, John Deere highly values our relationship with our Vermont dealership network and work with them to enhance their productivity, profitability, overall business strategy, sustainability and market share performance. We also encourage our dealers to provide high quality customer service on the John Deere products and services that they provide so that each customer can have an exceptional buying experience. In brief, if S 224 is enacted as passed by the Senate, the proposed legislative language would significantly fracture our existing contractual process with our Vermont dealers in complicated ways.

A manufacturers' current dealer distribution network in Vermont would be significantly eroded with the passage of S 224. Litigation costs would increase, equipment purchase costs would increase and consumers could negatively be impacted. To date, a critical public policy reason has not been identified for injecting government into business to business contractual relationships and the legislation may be unconstitutional. Consequently, John Deere opposes the legislation. I have attached the full John Deere Position Paper for your consideration. I have also attached below, a copy of an e-mail in opposition to the legislation that was developed by Mr. Scott Miller, General Manager, Harvest Equipment. Harvest Equipment has dealer locations in Newport, Swanton, Montpelier and Williston.

Going forward, please advise if I can be of further assistance on this legislation. Please also contact Allison Crowley DeMag and Gerry Morris, who also represent John Deere in Vermont, if they can be of service. Thank you very much for your time and consideration on our John Deere positions. Best wishes!



**Harvest Equipment knows what you need to get the job done**

**Date:** March 29, 2016

**To:** Dear Chairman Botzow II and Members of the Vermont House Commerce and Economic Development Committee

**From:** Scott Miller, General Manager, Harvest Equipment

**Subject:** S 224: Equipment Dealer Agreements – **Opposition**

Dear Lieutenant Governor Scott and Members of the Vermont State Senate

On behalf of the management and our 48 Vermont employees of Harvest Equipment, I am writing in **opposition to the passage of S 224: Equipment Dealer Agreements**. Harvest Equipment was started in 2002 and today is Vermont's largest John Deere Dealer with 4 locations including Newport, Swanton, Montpelier and Williston. For over 15 years, Harvest Equipment has been providing high quality agriculture and turf care products and services for our customers in a business footprint that stretches throughout northern and central Vermont. Today, our customers include large agriculture operations, commercial customers, residential land owners, small agricultural producers and governments.

Throughout the years we have collaborated with our manufacturing partner, John Deere, to enhance the total customer experience by making the necessary business capital expenditures, building new locations, fulfilling our contractual obligations and providing highly trained equipment technicians and salespeople so that our agriculture and turf care customers can be as productive and efficient as possible. The passage of S 224 would significantly detract from all that Harvest Equipment has worked hard to achieve in partnership with John Deere. The legislation modifies standards for equipment dealers in Vermont than what is currently contained in our John Deere contract today. SB 224 would negate Harvest Equipment's past and current efforts to become a recognized John Deere dealer, while providing exceptional products and services. Customers benefit greatly from the focus that John Deere requires of our Vermont dealers in representing separate lines of equipment. Under John Deere's approach, the additional investment required for separation to another facility, the product, parts supply, services support, sales and operator training and machine optimization support enhances the customers' benefits from the

expertise the brand focus delivers. For example, agricultural customers do not want their dealer to decide not to carry a particular John Deere part in inventory because they decided to carry a part for a competing brand. The same rationale applies to technical training, repair facilities and sales support. Also if a dealership carries all brands, the actual costs of equipment may be less competitive because of overall price control in the market by a single entity in a given area. The Competitive Lines' provision in S 224 is actually detrimental to customers and reduces the overall value that they receive. If enacted into law, this provision would not only be an issue at the time of equipment purchase but could also impact the after sales relationship.

The legislative provisions contained in S 224 would ultimately have an adverse effect on customers and their total experience with the product. Specifically regarding the contract process, Harvest Equipment also supports two approving parties being able to negotiate private contracts without governments "stepping in" and ultimately establishing provisions that might not be in the dealers' and / or manufacturers' best interests relating to their relationships.

Thank you very much for your consideration of Harvest Equipment's position of opposition to S 224. Please contact me if I can be of further assistance on this legislation. I also sincerely appreciate your public service on behalf of the citizens of Vermont and wish you the very best in your legislative deliberations.

All the best,

Scott Miller  
General Manager  
Harvest Equipment  
Office: 802-288-1160  
E-Mail: [scott@harequip.com](mailto:scott@harequip.com)

*Thom Iles*

Director, State Public Affairs  
John Deere Worldwide Public Affairs