

*CNH Industrial America LLC
700 State St.
Racine, WI 53404*

*Corporate Headquarters:
Burr Ridge, IL*

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Vermont Senate Committee on Economic Development, Housing and General Affairs

State Senator Kevin Mullin, Chairman
State Senator Philip Baruth, Vice Chairman
State Senator Bill Doyle
State Senator Ann Cummings
State Senator Becca Balint - Clerk



S. 224 - Equipment and Machinery Dealerships

On behalf of CNH Industrial, I respectfully submit testimony to the Senate Committee on Economic Development and Housing and General Affairs Committee regarding S. 224: The Equipment and Machinery Dealer bill.

CNH Industrial is a global manufacturer of the Case IH and New Holland brands of agricultural equipment; and the Case and New Holland brands of construction equipment. Our brands have dealers and customers in all fifty states and over 160 countries around the globe.

I have five elements of S 224 that I wish to address with the committee.

- Section 1 – Findings and Intent: Paragraphs (3) and (4)
Language found in Paragraphs (3) and (4) of the Findings and Intent section simply have no basis in truth, serve no value for discussion of S 224, and do not belong in the public domain.
- § 4074. Repurchase Terms:
Essentially, the manufacturers proposed in the 2/23/2016 letter, to agree to the repurchase prices of most items (complete and parts inventory) in this section. There remain some improvements to this section that we recommend.
- § 4078. Warranty Obligations:
Essentially, the manufacturers proposed in the 2/23/2016 letter, to agree to the warranty reimbursement demands in this section.



- Section 3. Implementation.
Vermont statute (Title 1 / Chapter 3 – Construction of statutes / Section 214 (b) (3)) suggests legislative preference toward prospective implementation of bills of this nature so as to not disturb or impair existing contracts.

We believe in the right to contract between two approving private parties without legislative intervention on existing contracts. . S 224 should not interfere with this private right.

- § 4077A. Prohibited Acts.
Paragraph (c) (2). Competing Product Lines. With the exception of instances of major competing lines, the manufacturers have offered to strengthen existing Vermont statute by agreeing to NEDA prevention / coercion language. However, in the case of major competing lines, the manufacturer should hold the permissive option, with proper notice to the dealer, to require separate financial statements, sales staff and facilities.

Further, so as to reduce ambiguity and allow the obligations of the law to be clear to both parties, we respectfully submit that there are opportunities to improve certain language in the current draft. We would be happy to provide those suggestions for consideration.

Thank you for the opportunity to appear before the committee.

George Whitaker
CNH Industrial America, LLC
621 State St.
Racine, WI 53404

Office: 262-636-4959
Email: george.whitaker@cnhind.com