



April 11, 2023

Rep. Michael Marcotte
Chair, Commerce and Economic Development Committee
106 Private Pond Rd.
Newport, VT 05855

Rep. Stephanie Jerome
Vice Chair, Commerce and Economic Development Committee
515 Wheeler Rd.
Wheeler, VT 05733

re: AED's Opposition to H.81

Dear Chair Marcotte and Vice Chair Jerome:

I'm writing on behalf of Associated Equipment Distributors and our Vermont members in opposition to H.81, "an act relating to fair repair of agricultural equipment."

AED is the trade association representing companies that sell, rent, and service construction, farm, forestry, and industrial equipment. Our members, which are predominantly small to medium-sized, independent, family-owned businesses, employ workers across Vermont, providing well-paying jobs and serving as a positive force within communities throughout the state. Below please find a list of AED member companies and locations in Vermont.

"Right to repair" is a simple slogan; however, the policy proposals surrounding the issue are complex with significant consequences.

H.81's application to agriculture, forestry and construction equipment is based on the false narrative that customers are unable to fix their own tractors and machinery. To the contrary, equipment manufacturers and distributors make available diagnostic tools, repair information, parts, and remote customer support. Idle, non-functioning equipment equals lost time and money. Whether it's on a farm or logging operation there is absolutely zero incentive for equipment dealers to not do everything they can to keep a machine running. That can mean repairs completed by a dealership service technician, the customer, or a third-party provider. The equipment industry is highly competitive, and if a company isn't providing proper and timely service, nothing is stopping the customer from moving to a competitor and their products.

Equipment dealers invest extensive capital in parts inventories to ensure repairs and maintenance can occur as soon as possible. Anyone can walk into an AED member facility (or go online) and buy OEM parts for their equipment. There's no restriction on who can purchase parts, whether it's an equipment owner, a third-party service provider, an equipment operator, or a member of the general public. In fact, a substantial majority of AED members' parts sales are sold directly to customers so they can repair their own equipment.

However, there will be no incentive for equipment dealers to carry parts inventory if the manufacturer or the dealer is forced to sell parts at a fixed price. H. 81 requires parts to be sold at the most favorable terms the manufacturer provides to an authorized service provider. The result will be longer wait times for parts and service, an exacerbation of current supply chain issues, idle machinery, unsupported customers, and a significant threat to the ongoing viability of the equipment industry in Vermont.

The machinery AED members sell today is not the same as equipment sold decades ago. While customers can complete most repairs, government environmental and safety regulations, as well as technological developments that have made equipment more efficient and productive, necessitate restrictions in access to source code and software that ensure key operational functions aren't inadvertently disabled or modified. As the industry moves toward electrification and more autonomous machines, the equipment's sophistication

will only increase requiring greater training for maintenance providers.

To properly service customers, equipment dealers invest countless resources to train certified technicians to safely perform complex repairs and maintenance. When you include technical education with brand-specific and in-house training, a typical service technician logs similar classroom hours to someone with a baccalaureate degree from a university. H.81 invites unqualified individuals to attempt to repair the world's most advanced and sophisticated equipment, at significant risk to themselves, operators, and the public.

It's important to recognize that heavy equipment is not like consumer electronic devices, such as laptops and cell phones. Heavy equipment is a durable product that if repaired and maintained properly will last for decades. Faulty repairs threaten longevity and result in machines needing replacement and possibly being discarded sooner than necessary.

H.81 would also completely alter the equipment industry's distribution model, putting countless small businesses at risk. Manufacturers of equipment rely on a network of independent, predominantly family-owned, small-to-medium-sized companies to sell, rent and service the equipment. These dealers create economic activity, well-paying jobs and tax revenue for the state, including in rural and underserved areas. Additionally, H. 81's negative impact would be felt far beyond the equipment industry. Equipment dealers ensure that customers in the agriculture, forestry and construction sectors can efficiently harvest crops, perform logging operations and complete construction projects, thus contributing to the economic success of farmers, loggers and contractors. H. 81 will result in less availability for parts and service, delaying the critical functions performed by our customers that contribute to the well-being of all Vermonters.

For the off-road equipment industry, H.81 is a solution in search of a problem. AED members provide customers and third-party repair providers with parts, tools, and other resources to complete nearly all repairs. Enacting H.81 will stifle entrepreneurship and result in an unprecedented intrusion by government into the free enterprise system. This proposal is price fixing under the guise of consumer protection and should be opposed.

Thank you for your time and consideration.

Sincerely,



Daniel B. Fisher
Senior Vice President, Government Affairs

cc: Members of House Economic Development & Commerce Committee

AED Member Vermont Locations

Anderson Equipment Company	East Montpelier	VT
Milton CAT	Richmond	VT
United Construction & Forestry	Williston	VT
Winmill Equipment Co., Inc.	Rutland	VT
Wood's CRW Corp.	Williston	VT