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In OPPOSITION to HB 712

The North America Equipment Dealers Association is an international trade association representing approximately 4,500 farm, industrial and outdoor power equipment dealers in North America.

In Maryland, NAEDA represents thirteen dealer locations. Through the sale of equipment, parts, and service, our dealer members work in partnership with farmers and ranchers across Maryland to make them the most productive and competitive producers in the world.

The proposed legislation is unnecessary and divisive with far-reaching unintended consequences. Major farm equipment manufacturers and dealers have made a voluntary Industry Commitment to provide greater access to parts, tools, documentation, and diagnostic capabilities for farm equipment. A survey of dealers conducted at the end of 2021 confirms that we are a leading industry in supporting customer self-repair and have met our Industry Commitment (www.r2rsolutions.org).

Two of the primary stakeholders involved in this matter have reached a private agreement. A memorandum of understanding has been signed by both parties in which they state that legislation is unnecessary on this issue.

Additionally, fixing the price of parts at dealer net cost would have drastic consequences for equipment dealers, their customers and independent repair shops. The average dealership stocks over \$1 million in parts inventory per location. Put simply, this bill would put dealerships out of business if they are unable to make a profit from carrying parts inventory that serves customers and independent repair shops who rely on those parts being readily available.

Finally, if passed, this bill would likely be held unconstitutional. First, it violates the state and federal contracts clause by interfering with dealer/manufacturer agreements. Second, the bill would likely be pre-empted by federal copyright law and the Clear Air Act.

For these reasons, we stand in opposition to HB 712.

Kipp McGuire
Director of Government Affairs
North American Equipment Dealers Association