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## **SB 1654 Position Statement**

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.

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 tractors and combines. We are a leading industry in supporting customer self-repair and have met our Industry Commitment. The recent MOU between John Deere, CNHI and the American Farm Bureau Federation is further evidence that a private agreement between major stakeholders removes the need for overreaching government mandates.

End users of farm equipment have the right to repair, not to modify. This bill would create the ability to modify equipment in a way that would jeopardize the safety of our dealer's employees, undermine copyright protections of intellectual property, and significantly affect durability of equipment that would distort the used equipment market for dealers and producers alike.

Legislating access to security locks and security related functions would open access to embedded code controlling safety and emissions criteria, which is unnecessary for the overwhelming majority of repairs. A recent survey of our industry showed nearly 60 percent of all repairs are performed by someone other than the dealership, proving that parts, tools, diagnostics, and documentation are widely available to producers and independent repair shops already.

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. By fixing the price of parts at dealer cost, this bill would put dealerships out of business if they are unable to make a profit from carrying parts inventory to serve 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 Clean Air Act.

For these reasons, we urge you to oppose SB 1654.

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North American Equipment Dealers Association