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## **HB 4562 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.

In Michigan, NAEDA represents 92 dealer locations. Through the sale of equipment, parts, and service, our dealer members work in partnership with farmers and ranchers across Michigan to make them the most productive and competitive producers in the world.

Our industry is a leading example of one that supports customer self-repair. Equipment manufacturers and dealers are committed to providing access and widespread availability of parts, tools, documentation, and diagnostic capabilities. The reality of the repair landscape demonstrates this commitment. A third-party survey of our industry showed that nearly 60 percent of all parts sold are installed by someone other than the dealership.

In addition to the support provided directly to owners and independent repair shops, the major stakeholders on this issue have agreed to a Memorandum of Understanding. The MOU between John Deere, CNHI, Kubota, AGCO, Claas and the American Farm Bureau Federation is a private sector solution that formalizes the commitment to supporting customer repair and makes legislation unnecessary for our industry.

Mandating that OEMs sell parts on the same terms and conditions as they sell to authorized dealers would have dramatic negative consequences and is patently unconstitutional. This provision would turn our dealer's suppliers into their competitors, a clear breach of the contracts clause. This price fixing mandate would also significantly decrease the parts on-hand that Michigan dealers stock in inventory if they are unable to make a profit from them. The effect would be increased downtime due to lack of parts availability, which is entirely counter productive to the intended purpose of the bill.

Farm Equipment is also tightly regulated by the Federal Clean Air Act and several provisions of this bill would violate federal law by allowing access to emissions criteria. 42 U.S.C. § 7543(e) provides that "No State or any political subdivision thereof shall adopt or attempt to enforce any standard or other requirement relating to the control of emissions from either of the following new nonroad engines or nonroad vehicles."

HB 4562 presents a number of constitutional issues and unintended consequences. These problems are entirely unnecessary given the MOUs between the major stakeholders on this issue. We urge legislators to support those MOUs and not create additional challenges for farmers and ranchers with unwarranted legislative mandates.

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North American Equipment Dealers Association