



METRO NEW HOLLAND

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Chair Paul Holvey & Members of the House Business & Labor Committee
Chairman House Business & Labor Committee
900 Court St. NE, Salem H-277, Oregon 97301

Dear Members of the Committee,

My name is Marc Christenson, I am the owner of Metro New Holland, North Plains, Oregon. I am writing to ask for your support of HB 3164.

One of the purposes of the Oregon dealer protection statutes (ORS 646A.300 to 646A.322) is to prohibit suppliers from substantially changing a dealer's competitive circumstances without good cause. The law is intended to protect dealers from changes imposed by a supplier if the changes are materially and negatively impact the dealer's ability to compete with inline competition.

The Oregon Equipment Dealer Protection Law was passed to protect farm equipment dealers from changes imposed by farm equipment manufacturers if those changes materially and negatively impact the dealer's business. This Legislation (HB3164) provides clarification to the original intent of the Statutes prohibiting suppliers, without good cause, from implementing a change that has a material detrimental effect on the dealer ability to compete. The intent of this legislation is to clarify for the person(s) interpreting the law that even though the retail agreement may allow an act, event or omission it is not the act, event or omission that determines if there has been a material detrimental change in the competitive circumstances of the dealer. Instead it is this Law that makes that determination.

Farm equipment dealers each have a geographic Area of Responsibility (called an AOR). Robbins Equipment has a geographic area assigned to it by our manufacturers where we are to sell equipment and meet the expectations and requirements of the manufacturers. For decades we have understood that our AOR belongs to us where we are to conduct business and meet the Market Share requirements of the manufacturers we represent. We also understand and recognize that any dealer, with the same supplier, may sell equipment to our customers in our AOR. We are okay with all of this and have accepted this as a part of doing business within the free-trade system.

What we are not accustomed to and the driving force behind HB3164 is that AGCO allowed a dealer to have the same product line as an existing dealer and within that existing dealer's Area of Responsibility. This occurrence has been fully recognized by many of us as wrongful, unethical, harmful to existing business owners, and not in conformance with the intent of Dealer Protection Statutes or our understanding of the industry practices. It has been our understanding that if we are to be held responsible for selling machinery within our trade territory, spend a lot of capital building a building, buying inventory, investing in employees, and paying out other expenses then our suppliers would not allow another dealer to establish a physical presence (location) inside our assigned trade area.

We believe the passage of HB 3164 will make it clear to the suppliers and manufacturers such activity is a violation of the state law.

Your support of HB 3164 is appreciated.

A handwritten signature in black ink that reads 'Marc Christenson'.