



Dear Senator,

My name is John Rossow, I am the owner of Mid Valley Tractor, located in Eugene, Oregon. I am writing to ask for your support of HB3164 A-Engrossed.

One of the provisions of the Oregon Equipment Dealer Protection Statutes (ORS 646A.300 to 646A.322) is to protect farm equipment dealers from changes imposed by farm equipment manufacturers if those changes materially and negatively impact the dealer's ability to compete with another dealer selling the same brand.

House Bill 3164 is intended to add clarity to the Oregon dealer protection statutes to ensure that persons interpreting this law understand that the terms of a dealer agreement do not determine whether there has been a substantial change in the competitive circumstances of the dealer. The fact that a dealer agreement allows an event, act or omission does not determine whether such event, act or omission resulted in a substantial change in the dealer's competitive circumstances.

Farm equipment dealers each have a geographic Area of Responsibility (called an AOR). Farm Equipment Headquarters has a geographic area assigned to us 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 one of our major suppliers allowed a dealer to have the same product line as an existing dealer, within the 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 on buildings, 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 A-Engrossed 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.

John Rossow