



ASSOCIATION OF
EQUIPMENT MANUFACTURERS

AGRICULTURE
CONSTRUCTION
FORESTRY
MINING
UTILITY

March 5, 2015

SENT VIA EMAIL: Representative.Mike.Hawker@akleg.gov

Representative Mike Hawker
State Capitol Room 502
Juneau AK, 99801

Re: Opposition To HB 67 - "An Act relating to product warranties and required updates to products; and relating to dealers, distributors and manufacturers"

Dear Representative Hawker:

On behalf of the Association of Equipment Manufacturers (AEM) and its 850 equipment manufacturers and suppliers, I am writing to share our opposition to HB 67. HB 67, which significantly alters the warranty treatment and provisions, is an unnecessary intrusion into this business relationship between an equipment manufacturer and the retail dealer. This is bad public policy that offers no benefits to users of our members' products in Alaska.

This legislation would interfere with the contractual relationship between the equipment manufacturer and its retail dealers with respect to the terms they have agreed to for the performance of authorized warranty work on equipment. Manufacturers take different approaches in their contracts with warranty work and this bill would stifle market incentives to enhance the warranty fulfillment process.

Almost all equipment manufacturers distribute their products through independent dealers located throughout the world. Over the decades these manufacturers and their dealers have developed close business relations that have stood the test of time and the marketplace. The contracts that have evolved are a function of the type of products, the nature of their markets and their combined experience.

These mutually agreed upon contracts are balanced to share the duties and responsibilities in such a way that both parties can make their best contributions toward a long term relationship that will succeed in supporting and serving the product users. Both parties need to be committed to work out isolated disagreements and conflicts that may arise and not seek wide sweeping legislative solutions.

We respectfully urge you to withdraw this legislation which is an overreaching interference in the contractual business relationship between a manufacturer and the retail dealer and let the marketplace determine the established business relationship.

Sincerely,

Nick Yaksich
VP, Government and Industry Relations

1000 Vermont Avenue, NW
Suite 450
Washington, DC 20005

T 202.898.9064
F 202.898.9068

HEADQUARTERS: MILWAUKEE, WI
OFFICES: WASHINGTON, DC OTTAWA, CANADA BEIJING, CHINA
EUROPEAN RESOURCE: BRUSSELS, BELGIUM

WWW.AEM.ORG
AEM@AEM.ORG
Toll Free: 866.AEM.0442