

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE.

The meeting was called to order by Chairperson Gary K. Hayzlett at 1:30 p.m. on February 19, 1998 in Room 526-S of the Capitol.

All members were present except:

Committee staff present: Hank Avila, Legislative Research Department
Reed Holwegner, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
J. Patterson, Committee Secretary

Conferees appearing before the committee: Representative Terry Presta
Secretary Dean Carlson, KDOT
Pat Hurley, Economic Lifelines
Representative Eugene Shore
Alan Alderson, Legislative Counsel, Western Retail Implement & Hardware Association

Others attending: See attached list

HB 2803 - Establishing Kansas Highway trust fund

Representative Terry Presta introduced his bill to the committee. **HB 2803** will transfer 25 million of surplus tax funds into this trust fund for five years. This money would be used for a down payment on the Highway plan. It would also allow for other unencumbered funds to be transferred into this trust fund to benefit the next highway plan.(Attachment 1) Representative Powers voiced concern on whether this would throw a damper on the Comprehensive Highway Plan.

The opponent was Secretary Dean Carlson. KDOT opposes the bill because the proposed funding would fall far short of meeting the future needs of a transportation program for the State of Kansas. **HB 2803** would provide dollars for only one project, and that only after July 1, 2002.(Attachment 2)

Pat Hurley, Economic Lifelines, testified there is a need for a new comprehensive transportation program in Kansas.(Attachment 3)

The hearing on **HB 2803** was closed.

HB 2906 - Warranties and warranty claims related to farm, industrial or outdoor power equipment.

Representative Shore introduced his bill to the committee. **HB 2906** comes as result of manufactures' warranty of defective parts. **HB 2906** is copied after legislation in Texas which requires the dealership be reimbursed for their posted labor rate.(Attachment 4)

Alan Alderson, Western Retail Implement & Hardware Association testified against the bill. Their main concerns are: there is a contentious situation in Texas between manufacturers and retailers, they are concerned that the provisions of this bill might have the effect of causing manufacturers to refuse to enter into franchise agreements with Kansas dealers, prices of the equipment covered by this legislation would have to go up and finally it is unclear to them what equipment is covered.(Attachment 5)

HB 2306 - Boating under the influence of alcohol or drugs

Chair opened the meeting for motions or discussion. Bruce Kinzie clarified the amendment to the bill by adding \$30.00 page 2, line 39.

Representative Pauls made a motion to amend the bill, and Representative Ray seconded. The motion was carried.

Representative Pauls made a motion to pass amended bill the favorably, Representative Ray seconded.

Twelve to sixteen years olds can operate a jet-ski if they have taken the safety course. Representative Hayzlett voiced his concerns on whether there are enough conservation officers to support this bill. Representative Thimesch asked for some clarification on grounds to be stopped while boating. Amelia McIntire, Kansas Wildlife and Parks, answered reckless boat operation, riding irresponsibly, flagrant drinking, speeding through a no wake zone, etc.

Chair reminded the committee that a motion was made to pass out the bill as amended. The vote was 9 to 8 against.

The meeting was adjourned at 3:20 p.m.

The next meeting will be February 23, 1998.

HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 2-19-98

NAME	REPRESENTING
Carrie Peecht	SMIOT
Erik Sartorius	Pete McGill & Assoc.
Quintus Paris	Kansas, Inc.
Karen Watney	DoA/DPS
JACQI STEWART	MIAMI Co. EDC
Ken Baker	Economic Lifelines
ALAN ANDERSON	WESTERN ASSOCIATION
Amelia McIntyre	Ks Dept. of Wildlife and Parks
Tom Whitaker	Ks MOTOR CARRIERS ASSN.
MARY E. TURKINGTON	Self
Amy Howell	
Alison Lumb	Kennedy (and) Office
Deland Shere	Re: Shere
Don Cawton	DOB
Nancy Bogina	KDOT
E. Dean Carlson	KDOT
Jerry Trests	Rep 123 rd
Tahuk Hurley	Economic Lifelines
E.R. "Woody" Moses	Ks. App. Fed. Assn.

HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: _____

NAME	REPRESENTING
<i>John Coulter</i>	<i>X5. Good Road Assn</i>
<i>Bob Pulhadi</i>	<i>KDOR</i>

TERRY PRESTA

REPRESENTATIVE, 123RD DISTRICT
FINNEY COUNTY
P.O. BOX 1709
GARDEN CITY, KANSAS 67846
(316) 275-7564

STATE CAPITOL, ROOM 171-W
TOPEKA, KS 66612-1504
(913) 296-7660



TOPEKA

HOUSE OF
REPRESENTATIVES

February 19, 1998

It is my pleasure to address the committee about HB 2803. I start with the premise that the 1989 comprehensive highway plan was a success in every area but one. The plan paid for 7 year roads with 20 year bonds. A business or homeowner can't afford to operate like that and neither can the State.

This bill if enacted would create a Highway Trust Fund for the next comprehensive highway plan. HB 2803 will transfer 25 million of surplus tax funds into this trust fund for five years. This money would be used for a down payment on the Highway plan.

I believe that if we are to be responsible stewards of the State's resources then we should plan for major investments like each of us do in our own households. If highways are truly a priority then surely we can find 25 million a year for the next highway plan. To me it makes absolutely no sense to cut taxes one year only to raise the next.

Additionally, this bill would allow for other unencumbered funds to be transferred into this trust fund to benefit the next highway plan.

Since the introduction of this idea I have been inundated with letters and calls of support. Along with my 62 cosponsors people seem to grasp the common sense of attaching part of the money from the current surplus. This will allow for lower taxes and shorter bond maturities when the next highway plan is enacted.

A handwritten signature in black ink, appearing to be 'Terry Presta'. The signature is fluid and cursive, with a large loop at the end.

Terry Presta
State Representative 123rd district

House Transportation
2-19-98
Attachment 1

Date:

Thurs 2-5-98

The Editor's Opinion

Highway plan

“ Presta's proposal illustrates fundamentally sound business and personal financial practice. When presented with surpluses in revenue, part of the excess should be saved for major expenditures. That is preferable to spending money now, then having to borrow additional funds in the future and pay interest on the loan.

Presta has right idea

Saving money for highways makes sense

Wednesday state Rep. Terry Presta announced a plan to help get the ball rolling on a new comprehensive highway plan for Kansas.

It's a good idea, and one that should be adopted by other lawmakers.

Presta, Garden City's representative in Topeka, has proposed setting up a highway trust fund where excess revenues could be deposited. He stated that \$25 million could be placed in the fund this year and each of the next four years. The total could be used as a "down payment" on the next plan, which should make for lower taxes and allow for shorter bond maturities when the next highway project is implemented. Presta estimates the next plan could cost as much as \$1.5 billion.

Presta's proposal illustrates fundamentally sound business and personal financial practice. When presented with surpluses in revenue, part of the excess should be saved for major expenditures. That is preferable to spending the money now, then having to borrow additional funds in the future and pay interest on the loan.

This principle certainly applies today, as the state's booming economy continues to dump excess revenues into the treasury. Countless taxpayers, lobbyists and lawmakers have their eyes on those dollars, and there are plenty of suggestions on how to either spend it or return it to taxpayers in the form of tax cuts.

But without question, the state's highway system should rank high on anyone's wish list.

Decent transportation is the bedrock upon which economic development takes place. Good highways draw businesses, encourage industrial expansion within the state and help bring tourists and travelers who spend money in hundreds of communities. Those improvements also keep our roads safer, which saves lives and helps prevent injuries.

These issues should be of particular interest in Garden City and surrounding counties, since heavy truck traffic is taking its toll on area highways. The number of trucks will likely increase as hog production expands into rural areas of southwest Kansas.

As our representative in Topeka, Presta was right in drawing attention back to our state highway system. It's something we need in southwest Kansas, but it will also benefit the state as a whole.

— Tom Bell

GARDEN CITY TELEGRAM

Ottawa Herald

Parsons Sun

Pittsburg Morning Sun

Salina Journal

Winfield Daily Courier

House Transportation

2-19-98

1-2

17

For more information
please contact:

Terry Presta
785-296-7660

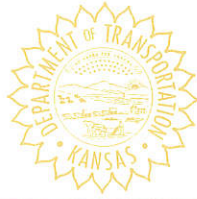
Presta Announces Highway Financing Plan

Legislator Proposes Highway Trust Fund

State Representative Terry Presta, R-Garden City, announced a plan to finance the building of another comprehensive highway plan in Kansas. Presta's bill would set up a highway trust fund where excess revenues could be deposited for future use instead of increasing taxes when funds are needed immediately.

"The 1989 Comprehensive Highway Plan was a success in all areas except one, financing. The plan built ten year roads with twenty year bonds. A business can't afford to operate like that and neither can the state," Presta said. Passage does look favorable for the bill. There are currently sixty-three sponsors on the proposal, the same number needed to pass legislation in the House.

Presta believes that if the 1989 plan had limited itself to ten year bonds funding sources would have been freed up by the time new roads were needed. With the creation of a trust fund and the current level of revenue surpluses, legislators believe twenty-five million dollars could be deposited in the account this fiscal year and each of the next four years. "If highways are truly a priority, then we can surely find twenty-five million dollars out of the state's 8.5 billion and make a down payment on the next plan. My hope is that the passage of this bill will allow for lower taxes and shorter bond maturities when the next highway initiative is passed," Presta stated.



E. Dean Carlson
Secretary of Transportation

KANSAS DEPARTMENT OF TRANSPORTATION

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Bill Graves
Governor of Kansas

**Testimony of E. Dean Carlson, Secretary of Transportation
Before the House Committee on Transportation
Regarding House Bill 2803
February 19, 1998**

Mr. Chairman, members of the Committee, thanks for the opportunity to testify today on House Bill 2803. First, I would like to express my appreciation to the many House sponsors of this bill for their recognition of the need for future funding of a transportation program. However, I don't believe this bill would be of much help.

This bill would provide \$125 million plus interest and other possible but unknown funds from other agency savings. Twenty-five million dollars per year would be transferred from the State General Fund to a newly created Kansas Highway Trust Fund. Interest earned on the money would be transferred to the fund monthly. In addition, any savings from operations of agencies receiving appropriations from the State General Fund for years ending prior to July 1, 2002 would be deposited in the Kansas Highway Trust Fund. On July 1, 2002 all of the money in the fund would be transferred to the State Highway Fund and the Kansas Highway Trust Fund would be abolished. None of the monies in the fund could be expended prior to July 1, 2002. The funds could only be used "to help fund any highway program authorized by statute initiated after July 1, 2002." (underlining added)

KDOT is opposed to this bill because the proposed funding would fall far short of meeting the future needs of a transportation program for the State of Kansas. It also implies that some or all of the funding could only be used for a highway program initiated after July 1, 2002. There are three things wrong with the concept of this bill. It is too little, too late, and infers that there will be another highway, not transportation, program. It also assumes that other agencies would work hard to accomplish savings when 80 percent of the savings would go to the State Highway Fund.

To give you an example of why this bill falls short, I would refer you back to testimony from the 169 highway group before this Committee on February 4. This one project would use up about 80 percent of the funding this bill provides. I might add that the day after Governor Graves asked us to begin plan preparation on US-169, representatives of US-59 from Lawrence to Ottawa and US-69 south of Louisburg called to see if their projects had slipped in priority. I advised them that there is no priority

without a comprehensive transportation plan and HB 2803 would provide dollars for only one project, and that only after July 1, 2002. By that time without a comprehensive program we will either not be able to match Federal aid or will be cutting substantial maintenance or both. There are several two-lane highways which need to be four-lanes. In addition, there are also many Kansas highways and bridges which need serious and expensive work. The traveling public need and deserve a program which will address a much larger portion of the system than the dollars in this bill will provide. We also hope that the next plan will be a transportation program which includes aviation, rail, mass transit, and consideration of city and county needs as well as highways.

Although I am sure the bill has a well-intentioned basis, I feel that this legislation will make it more difficult to secure adequate funding for a comprehensive transportation program. In the long run I believe the state of Kansas would be better served if the Committee deferred action on House Bill 2803 and considered the broader issue of a comprehensive transportation initiative in the 1999 session of the legislature.

STATE OF KANSAS


**KANSAS DEPARTMENT OF TRANSPORTATION
OFFICE OF THE SECRETARY OF TRANSPORTATION**

E. Dean Carlson
SECRETARY OF TRANSPORTATION

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Bill Graves
GOVERNOR

MEMO TO: Governor Bill Graves
Senator Dick Bond, President of the Senate
Senator Alicia Salisbury, Senate Vice-President
Representative Tim Shallenburger, Speaker of the House
Representative Susan Wagle, Speaker Pro Tem
Senator Tim Emert, Senate Majority Leader
Senator Anthony Hensley, Senate Minority Leader
Representative Robin Jennison, Majority Leader
Representative Tom Sawyer, Minority Leader
Senate Transportation Committee Members
House Transportation Committee Members

FROM: E. Dean Carlson 
Secretary of Transportation

DATE: February 18, 1998

SUBJECT: State Highway Advisory Commission Resolutions

As requested by the State Highway Advisory Committee, I am providing copies of two Commission resolutions regarding House Bill No. 2737 and House Bill No. 2803. If you have questions or need additional information, you may contact Don Hill, Highway Advisory Commission Chairperson, in Emporia at (316) 342-1242.

cc: State Highway Advisory Commission

House Transportation
2-19-98
A 2-3

2-18-98 02:15 FAX 785300884

003

State Highway Advisory Commission Resolution Regarding House Bill No. 2803

Whereas, The State Highway Advisory Commission as established by K.S.A. 75-5002 and 75-5003 reviews state transportation issues; and

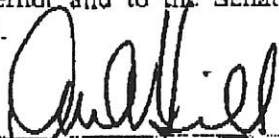
Whereas, House Bill 2803 establishes a Kansas highway trust fund and provides for transfer of moneys from the State General Fund thereto and for interest earnings on the average daily balance; and also modifies current appropriation policy regarding expenditure of prior year savings of State General Fund operating accounts allowing for eighty percent of such savings to be transferred to the Kansas highway trust fund; and the fund and its receipt mechanism would be abolished on July 1, 2002 with the balance being transferred to the State Highway Fund; and

Whereas, House Bill 2803 would only provide \$125 million plus an indeterminable amount of interest and transfers to the Kansas highway trust fund, none of which could be expended by the agency until after July 1, 2002, and the passage of a new highway program; and the proposed funding provides only a limited amount of revenue in relationship to both current and future transportation needs in the State, considering that a project such as the modernization of US-69 in Miami County is estimated to cost between \$75 and \$100 million; and

Whereas, the Governor and the Secretary of Transportation have begun a public discussion of the need for a comprehensive transportation program to provide funds for the improvement of roads, transit, railroads, and airports; and it is necessary to address those needs as a part of a comprehensive approach to future transportation improvements: **Now, therefore,**

Be it resolved by the State Highway Advisory Commission: That the acknowledged need to provide revenue for highway improvements in Kansas should become a part of the debate on the broader issue of a comprehensive transportation initiative rather than having transportation needs be addressed in such a limited manner; That the Legislature should defer action on House Bill 2803 and consider highway funding when the time comes to discuss a comprehensive transportation program, thereby allowing the best possible decisions to be made regarding prioritization of needs, best revenue sources to meet those needs, and the necessity of having all transportation needs addressed in an efficient and equitable fashion

Be it further resolved: That the Secretary of Transportation be directed to send copies of this resolution to the Governor and to the Senate and House Leadership and the Senate and House Transportation Committees.

Signed: 
Don Hill, State Highway Advisory Commission Chairperson

2/18/98
Date

On behalf of the State Highway Advisory Commission Members:
Ross Markle, Leavenworth Don Hill, Emporia
Joseph Conlon, Abilene Rex Carlson, Clay Center
Bernard Gieser, WaKeeney Jeffery Mason, Goodland
Phil Near, Independence Eddie Hamilton, Columbus
Terry Arnett, Pratt John Banks, El Dorado
Kim Schroeder, Hugoton

Dissenting:
Elvin (Davy) Crockett, Garden City

02/18/98 02:30 FAX 7853686664

001

**State Highway Advisory Commission
Resolution Regarding House Bill No. 2737**

Whereas, The State Highway Advisory Commission as established by K.S.A. 75-5002 and 75-5003 reviews state transportation issues; and

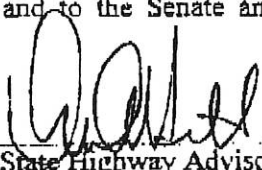
Whereas, House Bill 2737 amends the "motor-fuel tax law" to include aviation fuel within the definition of motor fuel and imposes a six-cent per gallon tax on aviation fuel beginning July 1, 1998; and further directs the receipt of the aviation fuel tax be deposited in the public use general aviation airport development fund; and would also exempt the aviation fuel from current sales tax resulting in an estimated \$500,000 loss to the State General Fund; and

Whereas, House Bill 2737 would only provide an estimated \$658,000 in FY 1999 and \$718,000 annually thereafter for general use airport improvement grants; and most airport improvement projects cost several hundred thousand dollars, thereby providing only a limited amount of revenue in relationship to both the need and number of airports that could be assisted; and

Whereas, the Governor and the Secretary of Transportation have begun a public discussion of the need for a comprehensive transportation program to provide funds for the improvement of roads, transit, railroads, and airports; and it is necessary to address those needs as a part of a comprehensive approach to future transportation improvements: **Now, therefore,**

Be it resolved by the State Highway Advisory Commission: That the acknowledged need to provide revenue for airport improvements in Kansas should become a part of the debate on the broader issue of a comprehensive transportation initiative rather than having each transportation mode be addressed separately; That the Legislature should defer action on House Bill 2737 and consider state assistance for airports when the time comes to discuss a comprehensive transportation program, thereby allowing the best possible decisions to be made regarding prioritization of needs, best revenue sources to meet those needs, and the necessity of having all transportation needs addressed in a comprehensive, efficient, and equitable fashion.

Be it further resolved: That the Secretary of Transportation be directed to send copies of this resolution to the Governor and to the Senate and House Leadership and the Senate and House Transportation Committees.

Signed: 
Don Hill, State Highway Advisory Commission Chairperson

2/18/98
Date

On behalf of the State Highway Advisory Commission Members:

Ross Markle, Leavenworth	Don Hill, Emporia
Joseph Conlon, Abilene	Rex Carlson, Clay Center
Bernard Giefer, WaKeeney	Jeffery Mason, Goodland
Phil Near, Independence	Eddie Hamilton, Columbus
Kim Schroeder, Hugoton	John Banks, El Dorado

Neutral: Terry Arnett, Pratt

Dissenting: Elvin (Davy) Crockett, Garden City

Economic Lifelines

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Mike Kelley
Kansas Motor Carriers Assn.

John Kemp
Heavy Constructors
of Kansas City

Howard Loomis
Peoples State Bank

Lillian Papay
Mayor of Great Bend

Dan Ramlow
Kansas Contractors
Association

Mary Turkington

George Wells
Ash Grove Cement

F. Tim Witsman
Wichita Chamber
of Commerce

THE NEED FOR A NEW COMPREHENSIVE TRANSPORTATION PROGRAM IN KANSAS

1. The eight year comprehensive highway program enacted in 1989 concluded successfully on June 30, 1997, on time and within budget delivering all projects targeted by this program throughout the state.

2. The economic benefits to the state from the '89 CHP have been enormous:

Kansas State University study has determined that the \$2.86 billion spent on just the state highway system under the CHP resulted in total economic output of \$7.4 billion, or two and one half dollars in output for every dollar spent.

The KSU study also determined the economic impact measured by income in direct salaries and wages from CHP was \$1.4 billion, and the economic impact measured by employment was 117,820 full time jobs.

A separate study conducted by Kansas University economist concluded that the CHP stabilized the Kansas economy during a period of down-turn of the national economy and protected Kansas from suffering the full extent of that economic down-turn in the early 90's and essentially saved Kansas heavy construction industry.

3. Highway needs of the future are even greater:

a. The 1989 CHP only addressed the top 16% of the state's highway needs leaving approximately 84% unattended.

KDOT data indicates a funding crisis will begin to be felt by 2000-2001 when they will approach a point of barely having sufficient funds to do minimum maintenance and meet federal matching requirements. They will not be able to do the type of new construction projects needed by communities for economic growth and development. In addition, local airports and public transit authorities have critical funding needs which should be addressed in a new comprehensive transportation program.

House Transportation
2-19-98
Attachment 3



4. Governor Graves has publicly stated his support for enactment of a new comprehensive program in order to avert a predicted funding crisis.

5. Economic Lifelines supports a new program. It is the largest coalition in the state dedicated to highway safety, improvements, and economic development for communities being comprised of KCCI, Kansas Contractors, and related highway industry groups, Farm Bureau, state AFL-CIO, Motor Carriers, Aggregate Producers, Airport Authorities, Public Transit Authorities, and numerous local Chambers of Commerce and local governments from across the state.

6. In KDOT hearings held around the state the past three years numerous communities have identified transportation projects which are essential to the growth and stability of their communities which projects KDOT has indicated an inability to do without a new program.

CONCLUSION:

Transportation needs must periodically be addressed by Kansas state government or the state's infrastructure system will dangerously deteriorate, creating major safety concerns and virtually stifling the potential for continued growth and development of individual communities and the state's economy as a whole.

Transportation needs are not something that state government can simply neglect or choose not to address. Every economic analysis of the key essentials to the future growth of any state or community lists infrastructure as a top priority for achieving those goals. The failure of the state to responsibly meet these infrastructure needs dooms the state and its citizens to a second class and dangerous existence.

EUGENE L. SHORE
 REPRESENTATIVE, 124TH DISTRICT
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TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS

LEGISLATIVE POST-AUDIT — CHAIRMAN
 EDUCATION — VICE-CHAIRMAN
 TAXATION — MEMBER
 TRANSPORTATION — MEMBER

TESTIMONY

HB 2906 WARRANTIES AND WARRANTY CLAIMS

February 19, 1998

HB 2906 comes as a result of manufacturers' warranty of defective parts. Many times there is no doubt that a part is defective and it becomes the manufacturers' responsibility to replace it. In some cases the manufacturer will send the part to the dealer and require that dealer to install the part at no repayment for labor or reduced labor reimbursement.

In my district, I have a large center-pivot dealership who sells for an out-of-state manufacturer. Last year the manufacturer determined they had a defective disconnect switch on 430 systems. They sent 430 switches to the dealer in boxes and told them they had \$25 per switch to install the new switches.

Some of these systems were 200 miles away. Some were in operation and required several trips before proper repairs could be made. The dealership estimates they spent \$30,000 more in replacing the disconnects than they were paid. In addition, they could only find 424 of the systems, so were penalized because the job was not finished.

HB 2906 is copied after legislation in Texas which requires the dealership be reimbursed for their posted labor rate.

I will stand for questions.

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House Transportation
 2-19-98
 Attachment 4

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LL.M., TAXATION
LICENSED TO PRACTICE IN
KANSAS AND MISSOURI

MEMORANDUM

TO: MEMBERS, HOUSE TRANSPORTATION COMMITTEE

FROM: ALAN F. ALDERSON, LEGISLATIVE COUNSEL, WESTERN
RETAIL IMPLEMENT & HARDWARE ASSOCIATION

RE: HOUSE BILL NO. 2906

DATE: FEBRUARY 19, 1998

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE -- I am Alan Alderson, Legislative Counsel for the Western Retail Implement & Hardware Association, a six-state association of retail farm equipment and hardware retailers. I appear here today in opposition to House Bill No. 2906. Although it might seem strange that an Association of dealerships which might benefit from this legislation would oppose it, we have what we believe are some very valid reasons for our opposition.

This legislation is apparently modeled very closely to legislation passed in Texas last year. Our understanding is that the legislation has created a contentious situation in Texas between manufacturers and retailers. We are not aware of any situation which merits an across-the-board legislative fix that would cause those kinds of tensions between manufacturers and retailers in Kansas.

House Transportation
2-19-98
Attachment 5

Secondly, we are very concerned that the provisions of this bill might have the effect of causing manufacturers to refuse to enter into franchise agreements with Kansas dealers. There are hundreds of product lines of the various types of equipment that might be covered by this legislation which are sold at retail through dealers who have agreements to sell this equipment. This legislation could cause those manufacturers to decide not to place their equipment with Kansas dealers (or perhaps not with any Kansas dealer other than those which have exclusive franchise agreements).

Our third concern is that, as a result of the first two concerns, prices of the equipment covered by this legislation would have to go up. It is obvious that manufacturers faced with increased warranty repair costs are going to make the retailer and consumer bear the ultimate increase in that cost.

Finally, it is unclear to me what equipment is covered by this legislation. How are the terms farm equipment, industrial equipment and outdoor power equipment defined? Nothing in this legislation indicates what is included in those definitions. If the intent was to make this legislation applicable to categories of retailers currently covered by franchise legislation, this bill does not accomplish that purpose.

There are efforts currently ongoing to resolve differences between manufacturers and farm equipment dealers, industrial equipment dealers and lawn and garden equipment

dealers with respect to warranty claims. There are committees meeting all across North America on a regular basis. We would urge this Committee to allow that process to continue informally rather than impose an drastic legislative remedy which might have the negative effects we predict.

This bill became public only last Friday and notice of this hearing was first published in the House calendar on Tuesday of this week. Otherwise, we are certain that you would have heard from many manufacturers in opposition to this legislation. We know of two major equipment manufacturers who have already expressed grave concerns. Thank you for the opportunity to share our concerns about this legislation.