

December 28, 2021

Pioneer EDA Dealer Members,

! RECOMMENDATION TO OPPOSE THE EDA MERGER !

On Dec. 28, the Equipment Dealers Association (EDA) communicated its intent to merge with three separate regional equipment dealer associations. The premise is to merge all four entities into one single organization representing dealers at the 1) state 2) U.S. national 3) provincial, and 4) Canadian national levels.

The Boards of Directors of half of the equipment dealers associations in North America believe this is a fundamentally flawed concept that will diminish the ability of EDA to carry out its primary mission, which is to address our industry's National concerns. Simply put, EDA's merged organization will be burdened with representing dealers at too many different levels. **From a legislative and regulatory standpoint alone, the merger would require EDA to become an industry advocate to at least 28 different state and provincial governments...in addition to the U.S. and Canadian governments!**

Our five associations urge all EDA members to vote in opposition to the merger once you receive a ballot which will likely be in January.

Background

Over the last several decades there have been multiple attempts, in some form or fashion, to merge EDA with select associations. The last attempt was made in September 2012, when the EDA Board reviewed and passed a resolution that would accomplish a pseudo merger. Following that meeting, EDA Board Members had the opportunity to review and discuss the resolution with their respective state and regional boards of directors. The majority of the associations opposed the merger concept, questioning the ability of a merged organization to maintain a strong and effective national presence, among other concerns. Ultimately, the EDA Board agreed that fundamental flaws existed in the merger model, and that EDA should rescind the resolution and "*immediately suspend all action*" on it. Nine years later, a similar concept is once again being promoted.

States, Provinces, and 2 Countries Merged Together: a Flawed Model

The proposal by EDA to exist as a national and local organization for dealers at the U.S. national, Canadian national, state level, and provincial level is a concept that is contrary to currently established and effective models. EDA should not allocate any amount of time or resources to managing state or provincial affairs. As a general principal, when an organization moves farther away from local control, it becomes less effective at its local level. EDA needs to focus solely on addressing issues at the national level. This is a proven approach.

A Closer Look

There are many other concerns that exist with EDA's proposal to juggle the management of issues for dozens of states and provinces....not to mention addressing national issues for two countries. Some of those concerns include:

1. Individual State and Provincial Needs: Each state and province has its own unique needs and issues, including those involving legislation, regulation, economics, etc. How can one organization provide expert representation for two countries, and also stay on top of the needs of 60 states and provinces...or even the 28 states and provinces within the merger proposal?

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It will undoubtedly be more difficult to address the specialized concerns of states and provinces through a large international conglomerate, rather than through the regional associations that have traditionally been in place.

2. Financial and Human Resource Concerns: EDA's merger proposal would likely make it very difficult to equitably allocate financial and human resources between national issues and state/provincial specific affairs. Consider the larger picture: three regional associations would be merged with the "national" association, while seven regional associations would still function independently, outside of the merged organization. All dealerships, both within and outside of the merged organization, would be asked to pay "national" dues. How will those funds be handled within the merged organization? For example, will states that are *not* part of EDA be, in effect, subsidizing initiatives specific to states and provinces managed by EDA, even though the initiatives may provide zero value to dealers outside of those individual states or provinces?
3. Conflict of Interest: One of EDA's top three priorities is Manufacturer Relations. Building solid relationships and trust is key to effecting change in this area. Throughout the decades, many states' dealers have actively promoted dealer protection legislation. If EDA manages any given state's or province's affairs, EDA will be responsible for introducing legislation that may have a negative impact on manufacturers. How can EDA effectively develop manufacturer relations and relationships for all North American dealers when EDA is at the same time battling the manufacturers in state and provincial legislatures.....battles that may only benefit one specific state or province? Furthermore, if the vast majority of dealers in any given EDA state or province are requesting legislation, who makes the decision to introduce that legislation, and who will provide the funding?

In Conclusion

EDA was formed as the equipment dealers' National Association. Its role as the voice of equipment dealers across the U.S. is crucial, and very challenging. It requires a focused mission, and dedicated human and financial resources. Our national association, EDA, should not dedicate limited resources attempting to manage the affairs of individual states, provinces, and two countries. This concept would require EDA to advocate to at least 28 different state and provincial governments...in addition to the U.S. and Canadian governments!

Ballots will likely be sent out in January 2022. Your vote to OPPOSE the merger will keep EDA's focus on national issues. On behalf of the following Boards of Directors, we urge you to OPPOSE the proposal to merge EDA with select state and provincial associations.

Canada East Equipment Dealers Association
Deep Southern Equipment Dealers Association
Far West Equipment Dealers Association
Montana Equipment Dealers Association
Pioneer Equipment Dealers Association