

**Senate Bill 73**  
**Opponent Testimony**  
**March 28, 2023**  
**Senate Financial Institutions and Technology Committee**

Chairman Wilson, Vice Chair Hackett, Ranking Member Smith, and members of the Senate Financial Institutions and Technology Committee, thank you for the opportunity to testify in opposition to Senate Bill 73 today. My name is Thor Hess, and I am the Executive Vice President at Southeastern Equipment Company and the grandson of the founder, William L Baker.

As a family business, Southeastern Equipment is an authorized dealership for many construction lines including Case Construction, Kobelco, and Bomag, and we represent 16 locations in our home state of Ohio. Since 1957, Southeastern Equipment has been recognized for our quality and trusted support that serves the hard-working construction industry in Ohio. Our business employees nearly 300 outstanding people who, along with other dealerships, provide crucial infrastructure support that underpins growth and success in Ohio. Without the support of dealers like ours, the complicated work of maintaining and servicing the ever-advancing technical equipment would be out of reach for smaller contractors, even with diagnostic tools and parts at cost. And with the introduction of more environmental and efficiency systems, these machines are becoming more and more sophisticated and complex.

Today, I wanted to share a few of the reasons why Senate Bill 73 is harmful for the construction industry, dealers, and our customers. But first, I want to make it very clear that our dealership completely supports a customer's or independent repair provider's ability to repair equipment and the ability to purchase parts, diagnostic equipment, software, and tools, which may be the same or like what a dealer might purchase for use by their own factory trained technicians.

**But, we cannot support the right to modify.** Senate Bill 73 requires access to embedded software and firmware which protects unauthorized access to modification of emission standards and safety requirements of our equipment.

The OEM (original equipment manufacturer) offers authorized repair networks, and I have witnessed firsthand our dealership's service managers and technicians who work above and beyond putting in additional hours to ensure that their customers' equipment is up and running **safely**. We invest hundreds of thousands of dollars in specialized tools, training and professional development, facilities, trucks, etc. not to include millions of dollars in parts inventories, and "loaner" equipment to satisfy our customer's needs.

Senate Bill 73 is drafted in a way that requires the dealer to sell the parts at cost. What would be the incentive for our dealerships to pay the inventory holding cost on that amount of parts? How can we maintain local jobs when our business model is reliant upon our parts and service divisions? Should SB 73 be enacted as proposed, we would be forced to drastically downsize our operations and the parts business would essentially be reduced to zero in Ohio.

We employ over 35 people that work in our parts department in Ohio alone. Several of our more rural stores exist to provide service and support to customers in those areas, with many customers relying on our locations to keep their machines working. Without the revenue on parts these would be in peril of closing. All our locations stock parts currently, and without the revenue, there would be no incentive to

stock any parts. Customers would need to wait days for those parts to be shipped from the OEM provider.

I encourage the committee to carefully consider the unintended consequences of Senate Bill 73 on local dealerships like ours.

Finally, the bill is targeting a reduction of electronic waste, but the construction industry has been improving sustainability for decades without legislation. Machines have life cycles of 35 to 45 years, and then go to robust scrap yards and recycling centers to be repurposed, greatly reducing electronic waste.

In conclusion, within the off-road industry, we support the right and the ability to repair, as it is already standard practice. As written, the Senate Bill 73 exempts farm equipment and forestry equipment, and we believe the bill should be expanded to include construction equipment as proposed by my colleagues at Associated Equipment Distributors.

Chairman Wilson, thank you for allowing me to provide opponent testimony on Senate Bill 73. I am happy to answer any questions.