#### Written Testimony offered on behalf of: Bridgeport Equipment and Tool

# IN OPPOSITION TO: S.B. 73 Sent Via Email Committee on Financial Institutions and Technology

Hon. Niraj Antani sd06@ohiosenate.gov Hon. Robert Hackett sd10@ohiosenate.gov

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### Hearing: March 21, 2023, at 9:30 AM

## BRIDGEPORT EQUIPMENT AND TOOL OPPOSES S.B. 73 UNLESS AMENDED

Hello and thank you for allowing me the opportunity to provide input on S.B. 73. My name is Brandon Neville, and I am the Corporate Sales Manager for Bridgeport Equipment and Tool. It is a pleasure to be before this honorable committee. We are an independently owned and operated equipment dealer in the states of West Virginia, Kentucky, and Ohio. Our dealership sells John Deere equipment and has 11 total dealership, with (4) locations in the state of Ohio: Bridgeport, Ohio, Marietta, Ohio, Pomeroy, Ohio, and Gallipolis, Ohio. Our Ohio dealerships employ 153 employees. On behalf of Bridgeport Equipment and Tool, I am here to express our opposition to this legislation in its current form and would like to take a moment to share why we believe this bill is wrong for our industry.

Let me begin by stating that S.B. 73 attempts to exclude agriculture and forestry equipment, however, it includes construction and outdoor power equipment. This language is puzzling because customers in all of these sectors, from a John Deere dealer perspective, are afforded substantially the same DIY repair offerings. As you can imagine, S.B. 73 and its attempt to gerrymander equipment sectors would create significant implementation issues as equipment is often used for more than one purpose.

In all these sectors, John Deere and Bridgeport Equipment Tool customers can access John Deere's parts catalog and purchase service manuals on John Deere's website. Like the automobile industry where customers may choose from OEM and non-OEM parts, parts for farm equipment are widely available today from both OEMs and several aftermarket manufacturers. Equipment dealers often sell both OEM parts and non-OEM parts to equipment owners and third-party repair providers. Today, end users are taking full advantage of their ability to make repairs. For Calendar Year 2022, almost 60% of Bridgeport Equipment and Tool's parts sales were sold directly to End Users and Independent Repair Shops. If customers and Independent Repair Shops don't have the right to repair their own equipment, why are they buying nearly 6 out of every 10 parts sold by our dealerships?

In addition, in 2022, John Deere made its "Customer Service Advisor" a subscription based electronic diagnostic tool available to customers directly through the John Deere website in addition to through its dealer network. In addition, this year, John Deere will roll out an enhanced customer solution that includes a mobile device interface, and the ability to download secure software updates directly to embedded controllers on select John Deere equipment with 4G connections. Also of note, John Deere recently formalized a memorandum of understanding with the American Farm Bureau Federation ("AFBF"). This Memorandum of Understanding provides a flexible, nationwide, industry solution to ensure that farmers have what they need as technology advances. If these resources do not provide owners with the RIGHT TO REPAIR, I honestly do not know what more can be done.

Now let's consider the threat this legislation is expected to pose to life safety, air quality, product liability, used equipment representations and our ability as a small business to keep parts and repair personnel employed. S.B 73 would kick open the door to unauthorized modification of equipment including increasing engine horsepower and increasing ground speeds beyond manufacturer specifications. It would also enable illegal tampering of emissions controls in violation of the U.S. Clean Air. These modifications would have immensely negative impacts including the safety of technicians and operators, polluting the environment, distorting used equipment representations in the secondary market. These are all real and unintended consequences of "right to repair" bills for the off-road industry. In 2022, the state of New York enacted a right to repair law which specifically exempted the non-road industry. The exemption is below for reference.

S.B. 73 would require OEMs to sell parts to end users and independent repair providers at the same price which we purchase them. If our dealership is unable to make a profit on parts, the economic incentive to stock those parts is eliminated. As a practical matter, this will leave customers in Ohio who need parts with an inability to locally source an OEM part. Instead, the customer will be forced to order the part from the OEM and have it shipped. If parts revenue is eliminated from our dealership's business model, this will lead to equipment dealer consolidation and will limit repair options for customers (particularly in rural areas) needing assistance. All in all, this pricing mandate will lead to a lack of locally sourced OEM parts, slower parts replacement times, reduced repair options and higher priced whole goods for customers.

For these reasons, Bridgeport Equipment and Tool views S.B. 73 as not good for the equipment industry, as a whole, nor the State of Ohio. Thank you again for your time and consideration of this testimony. Therefore, Bridgeport Equipment and Tool respectfully requests an **UNFAVORABLE COMMITTEE REPORT** on S.B. 73 unless it is amended to include the full non-road amendment which is set forth below.

Sincerely, Brandon Neville Corporate Sales Manager Bridgeport Equipment and Tool

## Non-Road Amendment as enacted in New York State

Manufacturers, distributors, importers or dealers of all off-road (non-road) equipment, including without limitation, farm and utility tractors, farm implements, farm machinery, forestry equipment, industrial equipment, utility equipment, construction equipment, compact construction equipment, road-building equipment, mining equipment, turf, yard and garden equipment, outdoor power equipment, portable generators, marine, all-terrain sports and recreational vehicles (including racing vehicles), stand-alone or integrated stationary or mobile internal combustion engines, other power sources, (including without limitation, generator sets, electric/battery and fuel cell power), power tools, and any tools, technology, attachments, accessories, components and repair parts for any of the foregoing.