

**Testimony offered on behalf of:
Hall Implement Company**

IN OPPOSITION TO:

L.D. 1487/S.P. 608

**Committee On Innovation, Development, Economic
Advancement and Business**

Hearing: April 18, 2023, at 1:00 PM

HALL IMPLEMENT COMPANY OPPOSES L.D. 1487/S.P. 608 Unless Amended

Good Afternoon Committee Members.

For the record, my name is Derek Hall. Thank you for allowing me the opportunity to provide input on **L.D. 1487/S.P. 608** (Right to Repair) legislation. I am the Service Manager of Hall Implement. Our equipment dealer has one location in Windham, Maine. Our dealership is independently owned and operated since 1961, and our business employs approximately 17 employees. On behalf of Hall Implement, I am here to express our opposition to **L.D. 1487/S.P. 608** and would like to take a moment to share why we believe this bill is wrong for our industry.

With my very brief time today, I have two (2) goals: First, to provide clear evidence to the fact that equipment owners currently enjoy real, affordable, and timely access to all the parts, tools, and information required to make even complex repairs. And second, to demonstrate the real risks to life safety, emissions control, warranty provisions and used equipment values that this proposed legislation presents.

Let me begin with owner ability to repair equipment. Today these tools are readily available to the public. Customers can access the same John Deere parts catalog that dealers use and use the John Deere website to purchase all service manuals. Other repair and diagnostic tools available include Special Tools required to perform critical tasks, and direction on how to use and optimize Customer Service Advisor. Customer Service Advisor includes the same diagnostic software John Deere Technician's use to diagnose and repair equipment. All these tools and resources are affordable and well supported by the dealer.

To be clear, Customer Service Advisor DOES NOT provide the technical training required to perform sophisticated diagnostic tests and troubleshooting procedures. While these skills can be readily obtained at technical schools in the region, it should not be taken for granted that just anyone can capture ALL the benefits of Customer Service Advisor. Today, Maine municipalities, landscapers, residential users, contractors and farmers are taking full advantage of their ability to make repairs. For Calendar Year 2022, almost 85% of Hall Implement's parts sales were sold direct 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 9 out of every 10 parts sold by our dealership?

These facts strongly refute claims that Equipment Dealers are somehow restricting competition. Now let's consider the unintended consequences that this legislation, in its current form, poses to life safety, air quality, product liability, used equipment representations and our ability as a small business to keep parts and repair personnel employed. Currently, Customer Service Advisor, does not provide the type of access that **L.D. 1487/S.P. 608** would require. As such, this legislation would open the door to unauthorized modification of equipment including increasing engine horsepower and increasing ground speeds beyond manufacturer specifications. It would, in turn, enable deletion of emissions controls in violation of the Federal Clean Air.

These modifications would have immensely negative impacts including:

1. Putting service technicians and operators lives at risks;
2. Undermining manufacturer warranty provisions;
3. Polluting the environment; and
4. Dramatically distorting used equipment representations in the secondary market.

These are all real and unintended consequences of L.D. 1487/S.P. 608. Up until now, these issues have been well managed by the industry without the help of State or Federal legislation.

L.D. 1487/S.P. 608 would also require original equipment manufacturers (OEMs) to sell parts directly 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 Maine who need parts with an inability to locally source an OEM and non-OEM parts inventory. Instead, the customer will be forced to order the part from the OEM or non-OEM supplier and have it shipped. While overnight shipping may be available in some cases, supply chain issues continue to influence the industry and would no doubt become a factor in the timely arrival of replacement OEM parts needed for customer repairs. Shipping of large parts can also be costly, and the customer will not have the benefits of a bulk shipping program utilized under the current, equipment dealership distribution model.

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, a forced, direct OEM to customer parts 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.

To conclude, let's be clear, equipment owners and third-party providers already have the RIGHT TO REPAIR their equipment, AND the RESOURCES TO REPAIR their

equipment. Unfortunately, this legislation will create, unintentionally, the RIGHT TO MODIFY equipment. The ambiguity in providing sufficient protections to safety systems emissions control devices and trade secrets will strip proprietary information from manufactures, hand it over to an unregulated end user. For these reasons, we view this legislation as poorly conceived, and as such not good for the equipment industry nor the State of Maine. Thank you again for your time and consideration of this testimony.

Therefore, Hall Implement respectfully requests an **UNFAVORABLE COMMITTEE REPORT** on L.D. 1487/S.P. 608, or if the bill is to proceed, an inclusion of an amendment which exempts our industry. Of note, this requested amendment was adopted by the New York Legislature in 2022 and signed by the Governor.

Respectfully Submitted,

Derek Hall,



NON-ROAD AMENDMENT LANGUAGE

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.