



**Written Testimony of Daniel B. Fisher, Senior Vice President
of Associated Equipment Distributors**

Before the Innovation, Internet, and Technology Committee on H. 7095

Chair Baginski, First Vice Chair Handy, Second Vice Chair Carson, and other committee members, Associated Equipment Distributors (AED) appreciates the opportunity to offer this testimony in conjunction with the Innovation, Internet, and Technology Committee's hearing on H. 7095.

AED is the trade association representing companies that sell, rent, and service construction, farm, mining, energy, forestry, and industrial equipment. Our members, which are predominantly small-medium-sized, independent, family-owned businesses, employ many workers across Rhode Island, providing well-paying jobs and serving as a positive force within communities throughout the state.

"Right to repair" is a simple slogan; however, the policy proposals surrounding the issue are complex with significant consequences.

H. 7095's application to the off-road equipment industry is based on the false narrative that customers are unable to fix their own tractors and machinery. To the contrary, equipment manufacturers and distributors make available diagnostic tools, repair information, parts, and remote customer support. Idle, non-functioning equipment equals lost time and money. Whether it's on a road building project or a farm during harvest there is absolutely no incentive to not do everything we can as equipment dealers and manufacturers to keep a machine running. That can mean repairs completed by a dealership service technician, the customer, or a third-party provider. The equipment industry is highly competitive, and if a company isn't providing proper and timely service, nothing is stopping the customer from moving to a competitor and their products.

In fact, a substantial majority of our members' parts sales are sold directly to customers so they can repair their own equipment. However, the tractors AED members are selling today are not the same as those sold decades ago. While customers can complete most repairs to their machinery, government environmental and safety regulations, as well as technological developments that have made equipment more efficient and productive, necessitate restrictions in access to source code and software that ensure key operational functions aren't modified or disabled. Equipment dealers invest countless resources to train certified technicians to work on complex machinery. H. 7095 invites unqualified individuals to attempt to repair the world's most advanced and sophisticated equipment, at significant risk to themselves, operators, and the public.

H. 7095 would also completely alter the equipment industry's distribution model, putting countless small businesses at risk. Equipment manufacturers rely on a network of independent, mostly family-owned small-to-medium-sized companies to sell, rent and service the equipment. These dealers make significant investments in their employees, including training service technicians to repair and maintain the latest high technology machinery. Many AED member facilities in Rhode Island are in rural and underserved areas, creating well-paying careers and economic opportunity.

Equipment dealers invest extensive capital in parts inventories to ensure repairs and maintenance can occur as soon as possible. Anyone can walk into an AED member facility (or go online) and buy OEM parts for their tractor. There's no restriction on who can purchase parts, whether it's an equipment owner, a third-party service provider, an equipment operator, or a member of the general public. However, there will be no incentive for equipment dealers to carry parts inventory if the manufacturer (or the dealer) is forced to sell parts for a fixed price without profit, such as is mandated by H. 7095.

Suggested Amendment

Given the substantial concerns with H. 7095 outlined above, AED and our Rhode Island-based members urge you to adopt exemption language that protects public safety and the economic viability of the equipment distribution industry. The language is identical to an amendment adopted by New York before passage of right to repair

legislation and has been utilized in numerous states with similar proposals:

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.

Conclusion

For the off-road equipment industry, H. 7095 is a solution in search of a problem. AED members provide customers and third-party repair providers with parts, tools, and other resources to complete nearly all repairs.

Enacting H. 7095 will stifle entrepreneurship and result in an unprecedented intrusion by government into the free enterprise system. The viability of the equipment distribution industry will be severely hampered, sacrificing economic activity, job creation, and technological advancement with significant safety, environmental, liability, and intellectual property implications.

Thank you for the committee's consideration of my testimony.

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