

**Testimony offered on behalf of:
NPE 2 LLC DBA Norfolk Power Equipment**

H. 7095 – Right to Repair

Via Electronic Mail: HouseInnovationInternetandTechnology@rilegislature.gov

**House Committee on Innovation, Internet and Technology
Hearing: January 25, 2024**

Norfolk Power Equipment OPPOSES H. 7095 UNLESS AMENDED

Good afternoon, Chair Baginski and Committee Members.

For the record, my name is Brian Coulter, and I am here to testify in opposition to H. 7095. Thank you for allowing me the opportunity to provide input on this legislation. I am the owner of Norfolk Power Equipment in Burrillville, Rhode Island. In business since 1975, Norfolk Power Equipment is a family owned and operated business serving homeowners and commercial businesses as well as municipal, state, and federal agencies. We sell, rent and service a wide variety of construction, lawn and garden equipment and have three retail locations in Wrentham, MA, Carver, MA, and Burrillville, RI. We have a family of 68 team members that work hard every day to fulfill our customer's needs.

I am here today because the text of H. 7095 is defined broadly to include many, if not all, of the products my dealership carries. Specifically, the definition of applicable products provided in H. 7095 is: "Digital electronic equipment" or "equipment" means any product that depends for its functioning, in whole or in part, on digital electronics embedded in or attached to the product." As such, this legislation could certainly be construed to encompass many, if not all, of the other products we sell and service such as Kubota Ag tractors, Utility tractors, Compact tractors, Compact construction equipment professional landscape equipment and consumer tractors and mowers.

Unlike many other industries, the non-road equipment industry supports the customer's "right to repair" making this legislation unnecessary for our industry. Customers in our industry can already repair their own machine, have an independent repair shop work on it, or bring it to a local dealership for repairs. This commitment to customer access to diagnostic and repair information was recently formalized in a series of memorandum of understanding with the American Farm Bureau Federation as well as a similar commitment in the outdoor power sector. I have included a number of attachments for consideration. Let me be very clear, any independent repair provider can access the tools, diagnostics, and repair information available to them today. Operating such a business, however, requires investment in not only these items but also in training on the complex systems.

Due to existing repair offerings, I do not believe that H. 7095 would benefit our industry. Instead, H. 7095 would undermine my dealership's parts sale business. Specifically, the legislation would require Original Equipment Manufacturers to sell parts, "... (i) At costs and terms that are equivalent to the most favorable costs and terms under which an original equipment manufacturer offers to an authorized repair provider, accounting for any discount, rebate, convenient and timely means of delivery, means of enabling fully restored and updated functionality, rights of use, or other incentive and preference the original manufacturer offers to an authorized repair provider, or any additional cost, burden, or impediment the original equipment manufacturer imposes on an owner or independent repair provider." (H. 7095, Page 3, Lines 7-13).

My equipment dealership stocks approximately \$2,000,000.00 of parts at our dealership. Approximately 68% of those parts are sold "over the counter" to owners and third-party repair providers that are doing the repairs outside of our dealership. Thus, this legislation would jeopardize our parts business and dealership, as a whole. If we are unable to make a profit on parts, there will be no incentive for us to stock those parts, locally. Instead, customers will have to order those parts and face longer wait times for repairs in time sensitive industries such as agriculture, forestry and construction.

You may have heard that the States of New York, Minnesota and California have recently passed a right to repair laws that fully exclude the off-road industry. The exemption language included in New York and Minnesota's right to repair bill is included below for reference.

As you can see, H. 7095 would undermine Rhode Island businesses and is unnecessary to ensure repair and diagnostic information is available to customers and third-party repair providers. **In conclusion, our industry fully supports our customers and third parties having the ability to repair their equipment, but we DO NOT support H. 7095 as it would hurt rather than help small businesses and customers in the state of Rhode Island. We encourage you to adopt the amendment below which would exclude our industry from this legislation.**

Respectfully Submitted,

Norfolk Power Equipment

Enclosures: AFBF Memoranda of Understanding with AGCO, Claas, CaseIH, New Holland and John Deere, OPEI Statement of Principles, Study Data from North American Equipment Dealers Association related to Third Party Repairs

Off Road Amendment

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.