



Testimony offered on behalf of Ceresville New Holland, Inc.

House Economic Matters Committee
Hearing: February 23, 2022, at 1:00 PM

Opposition to HB0562

Chairman Wilson, Vice-Chair Crosby and Economic Matters Committee Members

My name is Robert Dinsmore and I writing to express **opposition to HB0562.**

I'm the principal owner of Ceresville New Holland, Inc. a farm and rural lifestyle equipment dealership located in Frederick. MD. Our company has served our community of customers since 1947 and we employ people in sales, parts, service and administration.

Our business and our industry are built on long-term relationships with our customers. We hold true to those relationships based on the service we provide after the equipment is sold. Uptime of the equipment purchased by our grower / producer customers and professional users is critical to them and to us.

To support customer maximum uptime, I can report the leaders in our industry make available to customers – on fair and reasonable terms - and through dealers like me, tools they have asked for to allow them to better control their service requirements and downtime.

- **Customers can purchase a subscription to access the same diagnostic software that my technicians use in our shop.**
- **Customers can purchase the same that my employees use.** Operator's manuals, parts manuals, technical manuals and technical schematics.
- **Customers can access "how to videos"** on a number of service and maintenance topics.
- **Customers can find and purchase the parts they need when they need them** to do their own repair.
- **Customers have access to our highly trained and equipped service technicians,** in our shop, or at the customer's location.

I also should add that **with each generation of new tractor the on-board diagnostics capability is enhanced**, and the operator has significantly greater access to diagnostic and issue correcting information. Likewise, we continue to see vast advancements in our ability to remotely access a customer's tractor to help the customer understand and deal with any issues.

There remain two areas in HB562 that are of great concern to the off-road equipment business.

- 1) the mandate that OEMs must sell service parts at dealer cost; and
- 2) the mandate that OEMs provide access to sensitive machine control units.

OEMs selling parts direct: The notion of OEMs selling parts directly to consumers may apply to consumer electronics where there are few dealers in the distribution chain. In the off-road equipment business, the dealer is the key component to having parts inventory, knowledgeable people, warranty, and emergency service in the local market – when the customer needs it.

The parts language in HB 562 destroys the dealer's capacity to provide that important, customer facing component. Without the benefit of parts revenue and profit margin, our dealership cannot afford to employ parts experts that support customers every day. **Customer support and service in Maryland will suffer under HB562.**

Ambiguous Language: Further on the parts issue. Language in the bill states: **A FARM EQUIPMENT MANUFACTURER MAY NOT KNOWINGLY MISREPRESENT OR WITHHOLD FARM EQUIPMENT PART NUMBERS FROM A CUSTOMER FOR THE PURPOSE OF PREVENTING THE CUSTOMER FROM SHOPPING FOR A COMPETITIVE PRICE ON A REPLACEMENT PART.** This language is ambiguous and for clarity of meaning can only be reconciled in the court system.

Industry data indicates that well over 90% of repairs on tractors can be done without the need for software downloads to controllers on the machine. The controllers manage highly sensitive areas of the machine - including:

- Emissions systems and maintaining emissions compliance with EPA Clean Air Act standards.
- Safety functions.
- Key systems management.

For good reason, we do not provide, and the EPA does not permit us to provide, access to critical software, firmware, or embedded software as it relates to the engine control unit (ECU).

We believe this requirement bill blurs the line separating repair, which our industry whole-heartedly supports, and modification, particularly in the areas of environmental and safety, which we cannot support.

For these reasons that we ask that you vote unfavorable on HB 562.

Thank you for your time and consideration.

Robert Dinsmore
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Frederick, MD