

**Testimony offered on behalf of:
Gladhill Tractor**

**IN OPPOSITION TO:
HB0562 – Consumer Protection – Right to Repair – Farm Equipment**

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

Gladhill Tractor OPPOSES H.B. 562

Hello and thank you for allowing me the opportunity to provide input on the H.B. 562 (Right to Repair Farm Equipment) legislation. My name is Maurice Gladhill, and I am the General Manager for Gladhill Tractor. I am a third-generation equipment dealer in Maryland. Our dealership has two (2) locations. We are independently owned and operated and our business employs and fifty-five (55) employees. On behalf of Gladhill Tractor I am here to express our opposition to H.B. 562 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 2 goals: First, to provide clear evidence to the fact that ag equipment owners currently enjoy real, affordable, and timely access to all the parts, tools, and information required to make even the most 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. One reason we are talking about this issue today, is because equipment has become increasingly more sophisticated. Past mechanical linkages that were used to operate equipment have been replaced with complex electronic devices and circuits. Furthermore, between 2008 and 2015 the EPA mandated that manufacturers significantly modify engine exhaust systems to meet the stringent emissions standards of the Federal Clean Air Act. As equipment sophistication became mainstream, Equipment Manufacturer's began to develop online support tools to facilitate repair.

Today these tools are readily available and affordable 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. If these resources do not provide owners with the RIGHT TO REPAIR, I honestly don't know what more can be done.

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 throughout Maryland, it should not be taken for granted that just anyone can capture ALL the benefits of Customer Service Advisor. Today, farmers and other end users are taking full advantage of their ability to make repairs. For Calendar Year 2021, almost 60% of Gladhill Tractor'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 6 out of every 10 parts sold by our dealerships?

These facts strongly refute claims that Equipment Dealers are somehow restricting competition. Now let's consider the threat this legislation poses to life safety, air quality, product liability, used equipment representations and out ability as a small business to keep parts and repair personnel employed. As written today, this H.B. 562 would require Equipment Manufacturers to provide near unfettered access to proprietary source code. Currently, Customer Service Advisor, does not provide this access. Doing so would kick open the door to unauthorized modification of equipment including increasing engine horsepower and increasing ground speeds beyond manufacturer specifications. It would also fuel 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 H.B. 562. Up until now, these issues have been well managed by the industry without the help of State or Federal legislation. H.B. 562 would also require 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 Maryland 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. 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 already have the RIGHT TO REPAIR their equipment, AND the RESOURCES TO REPAIR their equipment. Unfortunately, this legislation is about the RIGHT TO MODIFY equipment, PERIOD! It clearly intends to strip proprietary information from manufactures, hand it over to an unregulated end user, then turns a blind eye to concerns related to the certain misuse cases that will result. For these reasons, Gladhill Tractor views this legislation as poorly conceived, and as such not good for the equipment industry nor the State of Maryland. Thank you again for your time and consideration of this testimony.

Therefore, Gladhill Tractor respectfully requests an **UNFAVORABLE COMMITTEE REPORT** on H.B. 562.

A handwritten signature in blue ink that reads "Maurice Gladhill". The signature is written in a cursive, flowing style.

Sincerely,
Maurice Gladhill
General Manager
Gladhill Tractor