

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

**IN OPPOSITION TO:
HB 712 – Consumer Protection – Right to Repair – Farm Equipment**

**House Economic Matters Committee
Hearing: February 22, 2023, at 1:00 PM**

ATLANTIC TRACTOR OPPOSES H.B. 712

My name is Mel Goldsmith, and I am the CEO for Atlantic Tractor Company. Our dealership has 18 locations with 11 of those locations across the beautiful state of Maryland. We are independently owned and operated and our business employs approximately 450 employees. On behalf of Atlantic Tractor, I am here to express our opposition to H.B. 712, and I would like to take this opportunity to express and explain my opposition to this bill as it pertains to our agricultural equipment business.

First and foremost, Atlantic Tractor fully supports our farmers' ability to repair their own equipment and we have worked diligently to educate our farmers about the broad and cost-effective diagnostic and repair options which they can take advantage of. One place to access these resources is our website. See <https://www.atlantictractor.net/DIY-Self-and-Repair>. On the "Do-It-Yourself and Self-Repair" page, you'll find extensive resources including:

- Instructions on how to access to John Deere mobile apps, which offer diagnostic and repair information to farmers, many of which are free of charge;
- Directions on how to order repair and service manuals;
- Directions on how to order Special Tools required to perform critical tasks; and
- Directions on how to subscribe to Customer Service Advisor 5.2, which contains the same diagnostic software John Deere Technician's use to diagnose and repair equipment.

Let me be very clear, any independent repair provider can access the tools, diagnostics and repair information that I have outlined here. Operating such a business, however, requires investment in not only these items but also in training on the complex systems. By way of example, in addition to the approximately \$5M we spend annually on diagnostic subscriptions, tools and overhead for repair facilities and mobile repair vehicles to keep our technicians up and running, Atlantic Tractor also invests around \$600K annually for the technical training necessary to ensure our technicians are able to repair these complex systems and that the repairs are completed expeditiously and repaired right the first time. It is this investment in infrastructure, repair and diagnostic technology and technical education, which allows Atlantic Tractor to service not only the

John Deere equipment we sell, *but also any other brands of equipment which a farmer needs repaired.*

We also sell parts “over the counter” to farmers on a daily basis. In fact, Atlantic Tractor stocks approximately \$48M in parts inventory, annually. Of those parts, approximately 70 percent are sold directly to farmers or independent repair providers who are performing the repair. For our farmers, this means that they get timely, local access to the replacement parts they need to maximize uptime and get their work done in a timely manner.

If my dealership is unable to make a profit on parts, as H.B. 712 would mandate, the economic incentive to stock those parts is eliminated. As a practical matter, this will leave Maryland farmers who need parts with an inability to locally source an OEM part. Instead, the farmer will be forced to order the part from the OEM and have it shipped. All in all, a forced, direct OEM to farmer 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 farmers.

H.B 712 plainly is about access to information we do not currently provide which is increasingly limited. Since the hearing last year, John Deere made its “Customer Service Advisor” available to customers directly through the John Deere website in addition to through its dealer network. In addition, this year, John Deere will roll out an enhanced customer solution that includes a mobile device interface, and the ability to download secure software updates directly to embedded controllers on select John Deere equipment with 4G connections. Also of note, John Deere recently formalized a memorandum of understanding with the American Farm Bureau Federation (“AFBF”). This Memorandum of Understanding provides a flexible, nationwide, industry solution to ensure that farmers have what they need as technology advances.

H.B. 712 is unnecessary and its failure to address the industry’s obligations to comply with both safety restrictions and federally mandated emissions standards creates unintended consequences for the industry rather than solutions. I hope I can count on your support to stop H.B. 712 from advancing both now and in the future.

Therefore, Atlantic Tractor respectfully requests an **UNFAVORABLE COMMITTEE REPORT** on H.B. 712.

Respectfully Submitted,

ˆ Mel Goldsmith
CEO,
Atlantic Tractor