

February 14, 2023

Minnesota House Commerce Finance and Policy Committee Minnesota State Office Building 100 Rev. Dr. Martin Luther King Jr. Blvd. St. Paul, MN 55155

RE: HF 1337 – Digital Fair Repair Bill by Representative Fischer

Dear Chair Stephenson and Members of the House Commerce Committee,

We are writing to you on behalf of RDO Equipment Co. in opposition of HF 1337, the Digital Fair Repair bill.

RDO Equipment Co. sells and supports agriculture, construction, environmental, irrigation, positioning, and surveying equipment through strong partnerships with top equipment manufacturers like John Deere, Vermeer, Wirtgen Group and Topcon. At our 13 stores in the state, 600+ RDO team members work hard each day to serve our customers who farm and build infrastructure throughout Minnesota.

We understand the Digital Fair Repair bill intends to provide consumers with reasonable ability to repair their own equipment, and <u>RDO supports our customers' right to repair their equipment</u> with access to diagnostic codes, repair manuals, training and parts.

Beyond our own efforts, you may have heard that John Deere recently signed a Memorandum of Understanding with the American Farm Bureau Federation that codifies farmers' right to repair their own equipment. The agreement formalizes farmers' access to diagnostic and repair codes, as well as manuals and product guides. It also ensures farmers will be able to purchase diagnostic tools directly from John Deere and receive assistance from the manufacturer when ordering parts and products.

We believe HF 1337 is a solution in search of a problem and are opposed to unintended consequences that may arise. By providing owners with the ability to make software changes, they could potentially unlock, adapt or modify equipment, which could cause environmental harm if emissions standards are violated in an effort to boost performance. Further, modifying the software could also pose significant safety risks because features could be compromised, putting operators and others at risk.

We also oppose this bill because of the vague and unreasonable language around parts, documentation, tools and software. For example, the proposal would require that manufacturers make available parts at costs that are "fair to both parties, considering the agreed-upon conditions..." but does not define fair or what those conditions might be.



If the bill intends to require manufacturers to provide parts to consumers at the same costs as dealers, it will undermine not only our business model but also our customers' expectations of us. Farmers and contractors rely on dealers such as RDO Equipment Co. to provide them with timely access to parts as well as the expertise to ensure they are ordering – or installing – the right parts.

There are other instances in this bill where vague language could lead to situations where customers would have few options for getting the parts and service they need. By requiring that manufacturers make available software at wholesale cost, one potential outcome is that dealers would not be allowed to sell subscription software solutions but would be required to service them.

If dealers are disincentivized to maintain an inventory of parts or provide service for software solutions, there will be major consequences for consumers. Consumers will no longer have immediate access to parts or experts they need to keep their machines up and running, which will cost them dearly in terms of lost productivity and ultimately cost Minnesota residents additional taxes and increase food prices for all that rely on Minnesota agricultural products.

We realize the bill intends to level the playing field for independent repair stores, but we take issue with the fact that dealers and their customers will ultimately pay the price. We believe that others share our position, as no other state in the U.S. has passed so-called "right to repair" legislation that includes construction and agricultural equipment. The unintended consequences are far too great.

Thank you for your consideration of RDO's opposition to HF1337. Please do not hesitate to contact either of us with questions.

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