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March 11, 2025

The Honorable Kelly Merrick, Chair Alaska Senate Community & Regional Affairs Committee Senator.Kelly.Merrick@akleg.gov

Dear Chair Merrick,

Cisco Systems—a leading global technology company that develops, manufactures, and sells networking hardware, telecommunications equipment, and cybersecurity and technology services—respectfully opposes SB 111.

As written, SB 111 will have the unintended consequence of overextending its reach into enterprise products, particularly those related to network infrastructure. This overextension could inadvertently allow unauthorized third-party access to trade secrets and sensitive information, thereby compromising cybersecurity for both enterprises and government entities. Such exposure could lead to data breaches or unauthorized access to sensitive account information. To mitigate these risks, we recommend narrowing the bill's scope to consumer products like laptops, smartphones, and tablets, while exempting products intended for enterprise and government use.

At Cisco, our enterprise resellers are contractually obligated to adhere to our stringent security standards. They undergo comprehensive and rigorous training and certification to ensure they can effectively sell, provide customer support, and troubleshoot our products. We are also committed to sustainability, focusing on the entire lifecycle of our products. When hardware is no longer needed, it can be returned to Cisco for remanufacturing or refurbishment, ensuing continued security and extending the product's life.

Cisco believes that SB 111, if enacted, would undermine cybersecurity efforts, positioning Alaska as an outlier in its approach to cybersecurity. We urge you to reconsider the passage of this bill.

Regards,

Joseph Lee



11 March 2025

RE: SB111, The Digital Right to Repair Act

To the Alaskan Senate Community & Regional Affairs Committee:

I'm Liz Chamberlain, Director of Sustainability for iFixit, and I'm writing in strong support of SB111. iFixit is a repair company with over 115,000 step-by-step repair guides for how to fix everything from toasters to tractors, and we sell parts and tools for consumer gadgets so that people can fix things themselves. Roughly 1 in 15 Alaska residents used iFixit to help them fix stuff last year.

We also sell parts and tools wholesale to independent repair shops. In the last few years, we've started helping manufacturers get original parts to their customers—we're now the official parts distributor for Google Pixel, Microsoft Xbox, Logitech, and Valve, and we have made repair guides for Patagonia and The Home Depot.

Through our business, we hear from individuals and independent repair shops about the things that make repair difficult. Both groups complain that they have trouble finding spare parts—manufacturers of products like vacuum cleaners and fitness trackers often don't have any parts available at all. Other products have only a very limited range of parts. Tool availability, both hardware and software, also often limits repair: Many repairs get blocked by lack of access to materials.

We've been supporting electronics Right to Repair legislation around the country, and we've been glad to see laws pass in 5 states. But a surprising number of manufacturers are not yet complying with legislation in states that have passed it—and many are gating materials, refusing to provide them to customers outside the few states with repair protections. We need to keep pressure up, to make sure that Americans can get the repair access they need. Alaskans deserve the same repair access that is guaranteed by law in California, New York, Minnesota, Oregon, and Colorado.

Repair is not just good for people's pocketbooks. Extending the lifespan of consumer electronics has huge benefits for our planet: It takes 34 years for a cell phone to use as much energy as it takes to make it—not to mention the toxic wastewater tailings ponds from mining, the massive raw material use of manufacturing, or the 53 million metric tonnes of e-waste we produce each year. Keeping our stuff around for as long as possible reduces those burdens, and this bill would stop Alaskans from sending electronics to the dump prematurely.

iFixit's business gives us a unique opportunity to hear concerns from all corners of the repair world. We work with repair shops, consumers, advocates, and run repair programs for manufacturers. We strongly support SB111, which we believe is a sound compromise that works for all interests.

Thanks for your time,

Dr. Elizabeth Chamberlain Director of Sustainability iFixit



Passenger Vessel103 Oronoco Street, Suite 200AssociationAlexandria, VA 22314

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March 24, 2025

Dear Senator Merrick and Committee Members of the Senate Committee on Community and Regional Affairs:

The Passenger Vessel Association (PVA) -- the national trade association representing owners and operators of commercial U.S.-flagged passenger-carrying vessels of all types, as well as companies that produced products for these vessels -- writes to express its concern about the broad scope of SB 111, the Digital Right to Repair Act.

PVA has 17 vessel-operating members based in or serving Alaska.

The bill applies to a manufacturer of a "digital product" which means a product that depends for its functioning, in whole or in part, on digital electronics embedded in or attached to the product. PVA believes that this broad definition would encompass the manufacturer of modern, large marine engines for commercial passenger-carrying vessels.

The electronic components of commercial marine engines contain security features to guard against unauthorized entities that might seek to "hack" a vessel's operation while underway. In addition, other electronic features are designed to reduce marine air emissions.

It would not be desirable, and might even be dangerous, if inadequately trained people access and inadvertently disable these features of commercial marine engines.

PVA hopes that the broad scope of SB 111 can be adjusted so that the legislation does not cover commercial marine engines.

Thank you for your consideration.

Legislative Director Passenger Vessel Association



Airport Equipment Rentals, Inc. Anchorage, Fairbanks (2x), Kenai, Prudhoe, Delta

Senate Community and Regional Affairs Committee March 25, 2025

Opposition to SB 111 – Digital Products Repair

Dear Chairperson Merrick and Committee Members -

Airport Equipment Rental (AER) is an Alaskan family-owned business that, since 1986, has been meeting Alaskan's needs for rental, sales and support for construction and road building equipment, reach equipment, utility and heavy-duty handheld equipment from six locations in Alaska.

• AER is a community focused company that employs our friends and neighbors with good paying jobs and family sustaining careers.

Respectfully - AER opposes SB111.

- S11 will financially harm our business and the prosperity of our employees.
- Expectations that SB111 is a "quick fix" solution to product support needs are misguided.
- The SB111 mandate on service parts cost will impair the value of long-standing contracts with OEMs partners and our significant investment in customer support resources.
- Alaska equipment owners, and independent repair providers, rely on a healthy dealer community to support them with parts inventory and application expertise, capable and timely technical support, and consistent high standards for product support processes.

Parts Sales at Cost: It is unreasonable for the State to mandate the sale of repair parts to independent repair providers and customers at the most favorable price manufacturers sell to its dealers. **This mandate would cause irreparable financial damage to our business and every business like ours in the State.**

- The majority of the parts we sell are sold to customers and independent repairers that take the parts from our shop and repair their own equipment.
- There is good reason the auto and on-road truck industries have not mandated parts sales in their right-to-repair MOUs with the repair industry. The reason is called: "healthy dealers are vital."

Repair Tools: Manuals, tools, diagnostic software, software updates, and assistance are all available to customers and independent repairers. AER backs that up with trained technicians that can meet customers where they run, or, in many cases remotely access equipment, to perform safe and reliable repairs.

- It is unreasonable to mandate that, without charge, "any documentation and tools provided to an authorized service provider for the diagnosis, maintenance or repair" be made available.
- This unreasonable mandate will have an inflationary impact on the price of new machinery.

Software Modification: SB111 does not provide the necessary flexibility to prevent modification of Federally mandated compliance with safety and emissions features. Some repairs require an internet connection and/or verification process to ensure compliance with safety and emissions specifications potentially violating federal regulations and intellectual property protections SB111 could hinder this verification process.

Underlying Workforce Shortage: SB111 mandates do nothing to improve the underlying issue of workforce shortages in equipment repair skills.

- Simply making sophisticated diagnostic tools and information available in a vacuum does not improve workforce skills and more likely leads to expensive and unnecessary re-work, worksite hazards, and costly downtime of critical operations.
- There are no standards or accountability for misuse of tools and information. There is no OEM responsibility for background support and issue resolution.
- This issue only grows as industry expands the use of autonomous vehicles and precision technology.

We support every customer's right to repair. We support any customer that wishes to repair their own equipment to do so in a safe and compliant manner and we provide the support to do so.

Respectfully, we ask that SB111 do not pass as written, and that off-road equipment be exempted from the bill.

Sincerely -

Airport Equipment Rentals, Inc. Anchorage, Fairbanks, Kenai, Prudhoe, Delta HC 60 Box 4530 Mile 272 Richardson Hwy Delta Junction, AK 99737-9444



Tel: 907-895-2006 Fax: 907-895-2086 sales@deltapowersports.com

Tanana Adventure Sports, LLC

Dear Senator Kelly,

My name is Josh Lawhorne, and I am the CEO of Delta Powersports, a company in the powersports industry in Delta Junction and Fairbanks, Alaska. I am writing to you with significant concerns about Senate Bill 111 (SB 111). SB 111 would unnecessarily put the public at risk, and I respectfully request that you VOTE NO on SB 111 when it comes before your committee without an exemption for Powersports vehicles.

SAFETY CONCERNS

SB 111 would allow complex repairs of highly technical powersports machines (ATVs, ORVs and snowmobiles) by untrained individuals. While repairs to some products may be quite simple and without personal or public safety considerations, or without concern for regulatory compliance, powersports products are complex machines, powered by combustible fuels and subject to complex state and federal safety and emissions regulations.

We have ensured that our **14** technicians have undergone extensive and required training on these units, in an effort to ensure the highest levels of quality for the equipment we sell and service.

To the extent consumers wish to make their own routine repairs on our products, manufacturers provide extensive online DIY resources for their use, in a collaborative effort to make it easier for consumers to perform non-safety, non-emissions related repairs. However, it is our position that some repairs should only be performed by appropriately trained and qualified dealer experts who can execute repairs designed to protect consumers and the public, as well as abiding by existing state and federal standards.

NEGATIVE BUSINESS IMPACT

As a small business owner in the Powersports industry, we have invested more than \$5,000,000 in our dealership's warranty and service departments, in an effort to best serve the local community. SB 111, as currently drafted, would give untrained individuals the same access to the tools/data we utilize, as well as allowing these untrained individuals the ability to perform the same repairs as our highly trained service professionals. This creates an inequitable scenario in the marketplace as we know it.

SB 111 would undercut the significant financial and human capital investments we have made in our small business.

It is for the reasons above that I ask you VOTE NO ON SB 111, unless a powersports exemption is included on this legislation. Thank you very much for your time and consideration of this critical issue to our industry.

Sincerely,

Josh A Lawhorne CEO / Tanana Adventure Sports DBA Delta Powersports



March 24, 2025

Dear Chair Merrick, Vice Chair Dunbar, other Honorable Members of the Alaska Senate Committee on Community and Regional Affairs:

The Engine Technology Forum (ETF) is an educational organization that represents manufacturers of internal combustion engines such as gasoline and diesel engines, vehicles, machines and equipment and their components as well as both petroleum and renewable biofuel producers.

Through original research, education, and fact-based outreach, we seek to expand the broader understanding about the benefits and advancements in advanced internal combustion engines, technologies, and fuels as well as their significance to our economy and how they help achieve clean air and climate goals. You can learn more about us on our website <u>enginetechforum.org</u>.

We are writing to express our opposition to SB 111. Like the members we represent, ETF is concerned that right to repair (RTR) legislation will facilitate the tampering of emissions control systems on engines and equipment used in farming applications, a practice likely in violation of the federal Clean Air Act, and one that will surely have a negative impact on the air quality and environment in Alaska.

We look forward to being a resource for your Committee and the Assembly at large and we're available to share more details or answer any questions you may have about how RTR legislation can cause negative, unintended consequences, including negative health impacts. In the meantime, we are including some of our general concerns with RTR legislation as it applies to agriculture equipment.

I. Introduction

Diesel engines power nearly all farm tractors and machines thanks to their unique combination of efficiency, power, durability, and reliability. Over the last two decades, manufacturers of diesel engines and equipment have invested billions of dollars to reduce emissions to near zero levels and meet federal clean air requirements, as you can see in the attached chart. Across the country, all of us – including citizens of Alaska – benefit from these advanced technological innovations in the form of cleaner air.

Why would someone knowingly modify or tamper with emissions controls? The act of tampering is linked most often to the desire to save time, money, or improve performance.

- Improving performance might mean accessing the engine computer to adjust or disable engine speed limiters to enable tractors to travel at faster ground speeds, perhaps beyond the safe design of steering and braking systems.
- Getting more power through tweaking the system to achieve higher fuel injection rates, or pressures or adjustments in engine timing.

• The motivation to save money can result in anything from the physical removal of particulate filters or catalysts to overtly overriding emissions computer control systems, thereby avoiding the need to fill up with diesel exhaust fluid – a critical component for assuring emissions compliance.

Even those seeking to legitimately repair a machine could inadvertently alter engine and emissions control systems. The results are all the same - emissions control systems that ensure clean air compliance are violated and emissions increase, causing safety concerns as well.

Right to repair legislation if enacted would likely contribute to the degradation of air quality in Alaska through higher emissions of particulate matter and nitrogen oxide emissions, a precursor to ozone formation. There is no simpler way to state this fact: **Tampering with emissions controls is directly linked to higher emissions.** Engine computers control, measure, and monitor on a real time basis tractor and machine fueling rates, air flows, exhaust pressures and temperatures, diesel exhaust fluid levels, and many other parameters that affect emissions and overall machine performance. As evidenced in a recent publication of data in *Farm Equipment Dealer*: Business and Trends report (referenced below), the problem is **not** uncommon.

II. Diesel Powered Farm Equipment Achieves Near-Zero Emissions Thanks to Advanced Emissions Control Systems

Since 2014, manufacturers have met US EPA's stringent emissions requirements that have resulted in achieving near zero emissions from diesel engines in farm tractors and machines. (see chart p.7)below).

This is accomplished by a highly integrated system of computers and controllers that control the combustion process and treat the exhaust emissions on a real-time basis through sophisticated systems like selective catalytic reduction (SCR) and diesel particulate filters.

Since 2014, most farm tractors and machines utilize advanced SCR systems. These are <u>active</u> <u>emissions scrubbers</u> on the machine – one where in a specialized catalyst, exhaust gases are treated by carefully calibrated sprays of Diesel Exhaust Fluid ("DEF;" aqueous urea) resulting in a chemical reaction that virtually eliminates nitrogen oxide emissions. Because it is an active system, DEF fluid must be refilled periodically based on fuel consumption, and that costs money. On average, nationwide today's DEF costs about \$25 dollars for a 2.5-gallon jug. Row crop tractors can typically hold 4-6 gallons.

Unfortunately, some creative individuals and repair shops have illegally accessed the engine computer and software and reprogramming to "trick" the engine into thinking that the SCR systems are dosing and operating properly, and diesel exhaust fluid levels are full, when in fact they are not operating at all or at very diminished levels. This is perceived as saving the operator the cost of refilling DEF fluid and avoiding expensive maintenance on particulate filters. SCR-equipped engines rely on routine end-user action (e.g., filling the DEF tank) to ensure proper operation of the SCR system. If the end-user doesn't take that action, the regulations require

engine manufacturers to inhibit operation of the engine, going into a limp mode and then shutting it down until repaired.

Sometimes called chipping, tuning, or ECU remapping, this service is offered to farmers by a variety of individuals and companies. Right to repair legislation will further facilitate this practice by providing unrestricted access to engine emissions control software, which is why we are opposed. Making changes to engine control units (ECU's) – computers and their controllers – to enhance the performance or evade emission controls has become a significant issue across North America. Being sold as "boosting performance" for pennies on the dollar compared to the cost of buying higher-capacity equipment and saving money through bypassing maintenance on emissions control systems; this practice must look like an attractive proposition, but it's not. It may void the equipment's warranty insurance agreements and is illegal in the U.S.

What the bills would do, if enacted, would be to enable the defeat of these systems, denigrate emissions performance and make agricultural, forestry and other equipment dirtier not cleaner, and increase emissions, not reduce them. Ultimately, a yes vote on this type of RTR legislation is a vote **against** the health and safety of your constituents and the environment itself.

II. The Incidence of Tampering with Emissions Controls in Off-Road Equipment is Well-Documented

A recent survey of farm equipment dealers confirmed that the practice of emissions tampering is prevalent with farm equipment. Specifically, dealers were asked about their experience with seeing equipment in service or sale that exhibited signs of tampering. Nearly 100 dealerships responded to inquiries on the topic and results were published in the March 2024 *Farm Equipment Dealer* Business Outlook & Trends report.



Almost two-thirds of dealers report altered emission systems come through their shops at least occasionally, according to the 2024 *Farm Equipment Dealer* Business Outlook & Trends report.

Just over 10% of dealers say they're seeing these "chipped" machines regularly. While 54% say they're seeing them occasionally. Just over one-third of dealers said they do not receive machines with altered emissions systems in their shops.

Credit: (<u>Ben Thorpe</u> posted on March 1, 2024 | Posted in <u>Best Practices</u>, <u>Manufacturer & Dealer Issues</u>

III. Original Equipment Manufacturers ("OEMs") Are Subject to a Wide Range of Federal Requirements in the Clean Air Act (CAA) that Govern the Building and Warranting Their Products for Emissions Performance

Manufacturers have specific and numerous CAA obligations to help ensure the integrity of Tier 4 emissions systems. Moreover, the CAA and regulations promulgated thereunder require equipment manufacturers to build-in base level tampering safeguards. Restricting access to the software that defines a machine's emissions performance is part of these base-level tampering safeguards.

The unrestricted access and the information that SB 111 would require may conflict with federal manufacturer obligations to help ensure that equipment and engine emissions systems remain compliant to Tier 4 standards during their entire useful life. (See 40 CFR 1039.240, 1039.245; see also 1039.101(g) (useful life requirements); 42 USC § 7525(a)(1) reference to testing to determine conformance to regulations prescribed under § 7521; § 7521(a)(1) requires regulations to prescribe a "useful life" over which vehicles/engines shall comply with emission standards).

If SB 111 were adopted by Alaska, manufacturers could be held liable for providing a "defeat device" to the market in the form of a service tool that allows end-users to circumvent certain engine/machine performance inhibitors related to emission controls. This is especially true for selective catalytic reduction ("SCR") -equipped engines that rely on routine end-user action (e.g., filling the diesel exhaust fluid ("DEF") tank) to ensure proper operation of the SCR system. If the end-user doesn't take that action, the regulations require engine manufacturers to inhibit operation of the engine. The bottom line is that if manufacturers provide customers the tool for overriding those inhibitors in the way that SB 111 would require, that could be viewed by the U.S. EPA as circumventing the regulatory requirements.

IV. Summary

Modern diesel engines in farm and agricultural equipment are more efficient, powerful, and productive than ever before, while also meeting the most stringent clean air emissions requirements that virtually eliminate emissions of nitrogen oxides and particulate matter thanks to the use of advanced engine and emissions control systems.

Unfortunately, there is credible documentation by dealers indicating the incidence of tampering with these emissions controls is significant. The consequences for the Last Frontier State's air quality are concerning. As a result of the use of tampered equipment, emissions from agricultural equipment could be higher and worsen the state's particulate matter clean air compliance.

At the Engine Technology Forum, we are working to do our part to encourage better stewardship of diesel technology by users, such as through the support of state legislation to tighten fines and penalties against tampering with emissions controls and "rolling coal" by pickup trucks. I have attached a flyer to this testimony that is part of our national campaign to discourage tampering and promote clean operation of diesel engines and equipment of all kinds.

Right to repair legislation, which grants unrestricted access to sophisticated emissions control systems and software, could hinder environmental progress. Supporting this legislation essentially permits individuals to alter the computer controls and software on equipment such as tractors, without considering the potential risks of unintended consequences, such as increased emissions or unsafe operation.

For all these reasons and others, SB 111 should not move forward.

Thank you for considering these comments. We welcome the opportunity to answer questions and collaborate further with the Committee.

Allen Schaeffer Executive Director Engine Technology Forum 5300 Westview Drive #308 Frederick, MD 21703 aschaeffer@enginetechforum.org enginetechforum.org



Source: U.S. EPA Office of Transportation and Air Quality (OTAQ)

Keep it Clean Don't Tamper with Emissions Controls

Top 10 Reasons Not to Tamper with Emissions Controls

It is illegal and will cost you – a person may be liable for a maximum civil penalty of \$4,819 per defeat device manufactured, sold, or installed, or per vehicle tampered. A dealer or vehicle manufacturer who tampers with a vehicle may be subject to significantly higher civil penalties.

IT WILL...

- 2 void your vehicle or equipment warranty.
- 3 cause problems in other parts of the vehicle or equipment.
- 4 cause problems with insurance.
- 5 violate job contracts.
- 6 increase air pollution.
- 7 make your vehicle or equipment unsafe to operate.
- 8 violate employer health and safety laws.
- 9 make your vehicle tough to sell and reduce its value.
- 10 bring the wrong kind of publicity to you and your business.

Embrace the new generation of efficient, powerful, and near-zero emissions diesels. Be good stewards of the technology and environment, don't tamper!



A message from the Engine Technology Forum. For more information visit enginetechforum.org

Whatever you call it...

- reprogramming
- chipping defeating

- tuning

- disabling

- bypassing
- removing

It's all the same: **TAMPERING**

It is illegal to install aftermarket emissions defeat devices, as well as remove or bypass emissions control devices like catalytic converters or particulate filters. It is also dangerous and bad for the environment.

If you suspect someone is manufacturing, selling, or installing illegal defeat devices or otherwise tampering with emissions controls, tell the EPA by emailing: tampering@epa.gov.

Report Environmental Violations

Learn more at: https://echo.epa.gov/ report-environmental-violations.



TESTIMONY

JOHN KEANE MANAGER OF GOVERNMENT RELATIONS

ON BEHALF OF THE ASSOCIATION OF HOME APPLIANCE MANUFACTURERS

BEFORE THE ALASKA STATE LEGISLATURE SENATE COMMITTEE ON COMMUNITY & REGIONAL AFFAIRS

HEARING SB 111 DIGITAL RIGHT TO REPAIR ACT

MARCH 25, 2025

Leadership > Knowledge > Innovation

Chair Merrick, Vice Chair Dunbar and members of the Committee, thank you for the opportunity to share the view points of the home appliance manufacturing industry regarding the potential impacts of the concept of right to repair, SB 111.

AHAM represents manufacturers of major, portable and floor care home appliances, and suppliers to the industry. AHAM's membership includes over 150 companies throughout the world. AHAM members employ tens of thousands of people and produce more than 95% of the household appliances that are shipped for sale within the United States. The home appliance industry, through its products and innovation, is essential to consumer lifestyle, health, safety and convenience. Home appliances also are a success story in terms of energy efficiency and environmental protection. The purchase of new appliances often represents the most effective choice a consumer can make to reduce home energy use and costs.

AHAM believes that so-called "Right to Repair" concepts that are part of SB 111 are overly broad. A basic reading of the definition of "Digital Product" can be interpreted to include the home appliance industry and, therefore, raises serious questions that AHAM strongly urges the Committee to carefully consider.

Home appliance manufacturers know how much consumers rely on their products to make their lives easier and more comfortable. Thus, manufacturers work hard to make appliances that last longer and perform better and to ensure their customers are satisfied not only at the time of purchase, but throughout a product's useful lifetime. Accordingly, manufacturers have a vested interest in ensuring repairs are accessible, reliable, and safe. This includes ensuring that consumers have access to highly educated, trained and certified repair technicians.

Home appliance manufacturers not only ensure that authorized repair providers are properly trained and certified, manufacturers also take necessary precautions so that when a repair provider enters a private home that the home owner as well as the property are safe and secure. The fact that repair providers enter consumers' homes to conduct appliance repairs presents a different set of circumstances regarding the repair of digital electronic equipment.

SB 111 comes into conflict with important industry doctrines:

<u>Safety</u>

Safety is a top priority for AHAM members. The industry designs appliances that are as safe as they are useful and consumers recognize this commitment. Today there are more than 860 million appliances in use largely without incident and 93 percent of consumers believe home appliance manufacturers do a good job in providing safe and quality appliances. Moreover, another 85 percent understand that safety policy is a top priority for the industry. For that reason, repairs that present safety risks are the exception to the general rule that materials needed for home appliance repair can easily be obtained by contacting the manufacturer or visiting the manufacturer's website, depending on the complexity of the repair. The primary reason that SB 111 is of concern to the home appliance industry is the broad safety concerns presented by the legislation. There

are three principal safety concerns that these bills present: product safety, consumer safety and property safety.

Product Safety

SB 111 requires that manufacturers make all diagnostic and repair documentation available to independent third parties or equipment owners. Today, home appliances contain highly advanced operating systems that use high currents of electricity, gas, flammable substances, high speed motors, and have hermetically sealed systems that can come into contact with water and moisture. Product and consumer safety are top of mind for home appliance manufacturers. Available service and repair options are, therefore, dependent not only on the type of product but also on the qualifications necessary to perform the particular repair.

Manufacturers develop diagnostic tools for certified engineers who have the educational and technical background and training necessary to troubleshoot, diagnose and conduct repairs to the appliance. A right to repair concept would broadly expand the universe of technicians that could access diagnostic tools and information. Also, manufacturer authorized servicers are typically required to perform repairs with manufacturer authorized parts that have been tested and qualified to meet the reliability and safety requirements of the home appliance product. Opening up the repair process to any third party services will loosen the control in this area significantly and could have a considerable impact on the safety and reliability of the product. In addition, manufacturers control the software used for service technicians. Without proper training, significant damage to the appliance and the home can occur if these tools are improperly used.

Because appliances operate using electricity, gas, water, filtered air, flammable substances, and high-speed motors, they undergo vigorous safety testing to ensure they meet applicable safety standards. Furthermore, appliances are designed to be in compliance with electrical, building, and plumbing codes as well as clean air and radiation emitting device regulations. It is critical that repairs do not jeopardize compliance with applicable safety and other standards, codes, and regulations.

Most appliance products are required by National Electric Code as well as other applicable building/mechanical codes to be listed or certified under applicable North American Safety Standards (such as Underwriter Laboratories or UL standard). These safety standards ensure a product and all of its components will operate in a safe and reliable manner. Right to Repair evades many of the safety provisions that Underwriters Laboratory (UL) and others test against.

For example:

Underwriters Laboratory North American Dryer Safety Standard (UL2158/CSA 22.2 no. 158)

This UL safety standard has safety requirements such as motor overload protection, door/lid opening or temperature limiting. These requirements were put in place to mitigate risks of electrical shock, injury or fire. Manufacturers often design the electronic controls which are embedded into either hardware or software and often both work together systematically to ensure the system operates safely and meets the UL requirements. To ensure the safety critical

functionalities are reliable, both the hardware and software of these controls are certified to applicable safety standards (i.e. UL60730 or UL60335 or specific requirements of the product safety standard). These standards have rigorous requirements to test and validate the required safeguards. The standards are stringent to the point that any design or manufacturing changes to these components by a manufacturer often requires recertification by a Nationally Recognized Testing Laboratory (NRTL) to the applicable standard in order to ensure that the required safety functionality has not been compromised.

<u>Underwriters Laboratory (UL) North American Washer Safety Standard (UL2157/CSA 22.2 no 169)</u> High efficiency (HE) washers employ electronic lid switches to ensure that no one can access the rotating basket while it is spinning very fast. These switches are often controlled by the Electronic control, which monitors the lid switch signal and employs a braking mechanism to stop the basket from spinning if a user opens the lid. The same components are also utilized for other functional and safety requirements. Diagnosing and repairing a similar HE washing machine requires an indepth understanding of the full system which authorized servicers are given as part of their training. An untrained servicer may employ a repair using a non-OEM part or incorrect connections can compromise the whole system that may result in a potential safety issue and/or performance degradation.

Notably, many certifications are required by state / province regulations, as well as applicable Federal laws. Accordingly, any professional servicer must meet these requirements. Thus, they do not present a barrier to becoming authorized. Manufacturers simply ensure their affiliated servicers meet the applicable requirements, giving consumers further peace of mind that their repairs will be conducted safely and correctly. Below is a summary of typical required certifications:

Certification	Description	
	Section 608 of the Clean Air Act requires	
EPA Section 608 Technician Certification	certification for technicians who maintain,	
	service, repair, or dispose of equipment that	
	could release ozone-depleting refrigerants	
	into the atmosphere	
North American Technician Excellence	Certification for handling heating, ventilation,	
	air conditioning and refrigeration (HVACR)	
	technicians	
National Appliance Service Technician		
Certification (NASTec)	NASTeC is a voluntary national certification	
	program for technicians who service major	
(International Society of Certified Electronics	home appliances.	
Technicians (ISTEC))		
	The Red Seal, when affixed to a provincial or	
Red Seal Program (Canada)	territorial trade certificate, indicates that a	
	tradesperson has demonstrated the	

knowledge required for the national standard
in that trade

Today, modern appliances contain sophisticated and technologically advanced electronics and internal controls that are uniquely designed and programmed for specific products. These electronics and internal controls contain safety features (both software and hardware) that are relied upon for the safe operation of the appliance. Manufacturers often invest substantial resources to ensure diagnostic tools are impervious to failure and tampering by the manufacturers own agents, the manufacturer will employ software and Information Technology tools specific to its agents to guarantee the service. The same cannot be ensured once these tools are opened up to unaffiliated third party servicers. It could be detrimental to the inherent safety of the appliance if access were to be granted in the public domain where defeating any of these features (either intentionally or inadvertently) could happen during diagnostics and repair, which could then create potential safety hazards to the consumer. The repercussions not only jeopardize the life of the product but may also leave the consumer worse off than before either with a new malfunction or a product rendered unsafe due to a repair conducted improperly or with the wrong parts.

For example, the home appliances industry is constantly innovating and advancing our products in order to deliver optimum solutions to consumers, which are energy efficient and continually better for the environment. Newer refrigerant gases that are non-ozone depleting and have very low global warming potential are an example. Comprehensive training is required in order for a technician to handle and conduct repairs on systems that contain different types of refrigerant. Mixing refrigerant types can be problematic and dangerous. An older product designed to operate with R134a gas refrigerant does not have the appropriately designed relays and electrical mechanical components for the newer R600a refrigerant. R600a gas is a flammable refrigerant gas that has positive attributes to reduce climate change and has started to be added to new refrigeration products in the U.S. market. It is critical that technicians are properly trained to identify which product utilizes which gas and how the gas is properly handled to ensure the utmost safety.

Authorized servicers can be directly trained and tools provided to 1) allow technicians to understand the systems included on every model and 2) repair those products appropriately. The same concerns hold true for the manipulation of LPG and natural gas in cooking products, dryers and water lines and the appropriate manipulation of 110V and 220V electrical connections. If not properly installed, leaks and overheating can occur.

Property Safety

Appliance repairs when not performed correctly can be the cause of property damage, e.g., flooding and fires. Insurance claims as well as increases in homeowner's insurance premiums could result if independent third parties improperly perform in-home repairs. Additionally, in the event of significant property damage and/or personal injury, the manufacturer could face legal claims.

Manufacturers, in general, have process and procedures in place that track repairs completed through their servicer network. This allows the manufacturer to create traceability of repairs for their customers/consumers and is one of the critical factors if fire or another sort of property damage were to occur. Opening up this domain to third-party servicers, inhibits the ability for manufacturers to track any repairs made to home appliance products and has the potential to create issues in determining liability if the source of the repairs cannot be readily identified. Traceability is also important because improper repair or servicing can be a cause of appliance fires. Finally, this assists insurance companies and other entities if the incident requires investigation.

Consumer Safety

The nature of appliance repairs requires repair technicians to enter the homes of consumers. Inhome safety and security is of paramount importance to appliance manufacturers and we assume the same holds true for independent service technicians. Manufacturers who certify technicians may require extensive background checks as well as drug screening, and as previously mentioned technical and safety training. AHAM members identified two areas in which a repair business must be in good standing to earn affiliation, both equally critical. These include (1) business requirements, and (2) business capacity to support the affiliated brands. These requirements are detailed further in the below tables.

Business Requirements				
Manufacturer / brand certification course State / provincial / federal certifications for all technicians	Proof of insurance (liability, workers compensation), Better Business Bureau accredited	Annual user / service agreement for certification	Business License Tax ID Personnel background checks Business credit check	

Conclusion

Thank you for the opportunity to present this written statement to the hearing record. Right to Repair concepts raise serious safety, cyber-security and contractual concerns for the home appliance manufacturing industry. AHAM strongly urges that this Committee reconsider whether or not legislation is in the best interests of Alaska consumers.



SB 111 Statement of Opposition

The Papé Group, Inc., based in Eugene, Oregon, operates a full offering of capital equipment dealerships in the western United States. Papé Machinery, Papé Kenworth, Papé Material Handling, Ditch Witch West, and Engineered Products, represent manufacturers including John Deere, Kenworth, Hyster/Yale, Ditch Witch and many allied manufacturers in support of the construction, agriculture, forestry, trucking, and warehousing/material handling industries.

Papé supports our Alaskan customers through our Ditch Witch utility equipment, Hyster/Yale forklift, and Kenworth truck dealerships in Anchorage and Fairbanks.

The proposed legislation has far-reaching unintended consequences for customer service, safety and environmental impact when applied to utility, construction, agriculture, warehousing, and aerial reach equipment.

Dealers, by definition, are wholesalers. The dealer business model serves the fulfillment needs of large multi-national manufacturers within defined territories. As such, these manufacturers enforce high standards relating to carrying their parts and whole goods, training, and customer support. It is unreasonable to legislate that manufacturers provide the same wholesale pricing to independent repair providers and customers that do not have the same obligations as the manufacturers' dealer network. Every business needs to pay their bills and mandating that parts be sold directly at wholesale prices would cause irreparable financial damage to the dealer network and to Alaskans that rely on this support.

As a dealer, we support our customers' ability to repair their own equipment. Alongside our

The Papé Group, Inc. PO Box 407, Eugene OR 97440 Papé Machinery, Inc. 1 Papé Material Handling, Inc. 1 Papé Kenworth 1 Papé Rents Papé Properties, Inc. 1 Papé Truck Leasing, Inc. 1 Papé Motive Power Ditch Witch®West, a Papé Company 1 Engineered Products, a Papé Company manufacturers, we currently provide manuals, tools, diagnostic equipment, software updates, specialized training and technical assistance to our customers. Nevertheless, we are concerned that allowing third parties to modify the digital operating parameters could lead to unsafe operating conditions or violations under the Clean Air Act.

The manufacturers we support use digital electronics to ensure that their machinery safely operates within engineering specifications. They need to ensure these safe operating ranges. Giving unfettered access could subject operators and bystanders to hazardous operating conditions and unsafe worksites. Imagine an untrained technician resetting the load parameters of a forklift that is expected to safely load and unload racking at heights of over 30 feet. Misunderstanding these parameters could have fatal consequences.

The ability to meet required environmental standards is also designed into the digital electronic equipment that interfaces between the operator and the engine. Allowing anyone, other than approved manufacturer representatives, to make changes (or reset fault codes) within the underlying software would allow third parties to defeat the very technologies required to comply with Federal and State environmental laws.

We believe firmly that SB 111 should extend the exclusion, already provided for motor vehicles, to also exclude off-road vehicles and equipment such as warehousing, utility, farm equipment, construction equipment, other off-road equipment and trucks, and stationary engines.

Jordan Papé President and CEO The Papé Group, Inc.



Submitted Electronically Written Testimony of the Truck and Engine Manufacturers Association

By Patricia Hanz

Alaska SB 111 - 2025 Senate Community & Regional Affairs Committee

March 25, 2025

Chair Hughes, Vice Chair Myers and Members of the Senate Community & Regional Affairs Committee:

The Truck and Engine Manufacturers Association (EMA) opposes AK SB 111. While the legislation is described as a Digital Right to Repair Bill, for which a Model State Bill is available to properly scope the legislation to apply to personal consumer electronic devices, SB 111 is rather, a broad bill that attempts to apply the right to repair concept to a myriad of commercial products for which a legislative solution is simply not needed and will create issues between owners, service providers and manufacturers and create new risks to public health and safety.

EMA represents the world's leading manufacturers of commercial vehicles as well as onand off-road engines used in applications such as trucks; buses; construction and farm equipment; locomotives; marine vessels; landscaping equipment; and stationary generators.

While the proposed "Digital Right to Repair Act" might seem innocuous, in fact it would create significant adverse unintended consequences to the products manufactured by EMA's members, as such requirements would provide unfettered access to change the microprocessors on engines and equipment that control critical safety, emissions, and performance systems. Legislation enabling such access is potentially dangerous and simply is not needed. Manufacturers already provide access to the diagnostic, maintenance and repair information needed to repair the vast majority of repairs. Manufacturers have programs available in which daily, weekly, monthly and yearly information can be provided to independent repair facilities and owners. In addition, it appears to prohibit manufacturers from charging for diagnostic, maintenance and repair documentation and software – essentially requiring manufacturers to give away technology which they have spent significant resources to develop.

EMA member products and the engines they power are often used in rural and remote settings. As a result, over the decades manufacturers have established a service network which includes independent dealers and owners/operators to help keep these vehicles and equipment working. EMA met with the Sponsor to better understand the issues he is attempting to address with this bill. While we certainly understand some of the frustrations expressed by Senator Dunbar, some of the issues raised by the Senator are simply driven by geography and found in a wide range of service industries ranging from mail delivery to medical and emergency services. The bill does not resolve the challenge created by geography - it is simply expensive and logistically challenging to provide parts and services in rural and remote settings.

The major manufacturers of agricultural equipment entered a Memorandum of Understanding with the American Farm Bureau Federation in 2023 which documents the arrangement under which access will be provided and the obligations and responsibilities of the signatories. Importantly, there is a continuing commitment to meet on a regular basis to assess the MOU and update it based on operational concerns or technological advancements. The parties to the MOU have met 4 times since its inception to review and update the implementation details. In addition, there is a public website on which ANY owner/operator may file a complaint and, to date, few complaints have been filed. Those that have been filed have been quickly resolved These are clear indications that the MOU is working to make legislation unnecessary.

Repairing large, complex, and specialized products manufactured by EMA members require highly trained and skilled personnel, who are qualified to properly use service and repair information. Allowing untrained individuals and the public to have unfettered access to service information to is dangerous and unnecessary. Further, it will undermine the integrity of the equipment and allow for safety features on agricultural equipment – such as braking systems and electronic stability (anti-rollover) controls - to be altered and compromised. Unfettered access also will increase the likelihood that untrained personnel will intentionally or unintentionally, and illegally, alter or disable federally mandated emission control systems. Such illegal tampering is increasingly occurring today, especially on off-highway equipment. Tampering contributes substantial excess pollution that harms public health and air quality. The U.S. EPA has undertaken a National Compliance Initiative to respond to the numerous instances of engine tampering across the country, some of which include the use of software to alter or disable digitally controlled emission technologies. Further, a listing of those cases that have been resolved is also available on EPA's website. In addition to safety and emissions concerns, allowing access to software that controls federally regulated systems also exposes owners and operators to both civil and criminal liability for tampering. The U.S. Department of Justice's Energy and Natural Resources Division announced a consent decree and settlement of one such case, resulting in \$3.1 million in criminal fines and civil penalties for the sale of devices designed to delete emissions controls.

Further, proposed repair legislation consistently fails to contain meaningful safeguards or restrictions that would prevent or mitigate the risk of cybersecurity incidents. Widespread and unfettered access to service information increases the opportunity for hackers to improperly obtain or tamper with such information – creating enormous cybersecurity risks. Legislation to make those efforts easier is ill advised and unnecessary. The "open access platform" envisioned by the legislation simply does not exist. The cybersecurity risk and the risk associated with the broad ability to remotely access and send commands that control equipment critical safety systems has been recognized by federal agencies including the National Highway Traffic Safety Commission (NHTSA).

EMA and its members support and have worked with regulatory agencies (including U.S. EPA) to develop programs to expand the availability of service and repair information to <u>qualified</u> independent service repair personnel. Those programs and regulations include safeguards and restrictions needed to mitigate the risk of the unfettered release of safety and emissions control

tools and other proprietary information. Such regulations also provide the same set of requirements across the country, in contrast to legislation that would mandate special state-based requirements that, if enacted, would actually hurt Alaskan businesses.

For all these reasons, EMA has serious concerns with the proposed "Digital Right to Repair Act". Such requirements otherwise will create enormous safety, environmental, and security risks and liability exposure for owners and the public and will limit the availability – and/or increase the costs - of products sold in Alaska, as those products will be forced to have unique characteristics.

Thank you for the opportunity to provide our Written Testimony. If you have any questions or need additional information, please do not hesitate to contact me at: phanz@emamail.org, (312) 929-1979.

Very truly yours,

Patricia Hanz

cc: Senator Dunbar

Outdoor Power Equipment Institute

March 20, 2025

transmitted via e-mail: scra@akleg.gov

The Honorable Kelly Merrick Chair, Senate Community and Regional Affairs Committee State Capitol Room 504 Juneau, AK 99801

re: OPEI opposition to SB 111, An Act relating to the diagnosis, maintenance, and repair of products that use digital electronics to operate; adding an unlawful act to the Alaska Unfair Trade Practices and Consumer Protection Act; and providing for an effective date.

Dear Chair Merrick:

I write on behalf of our member companies to express our opposition to SB 111 as it is the wrong approach for outdoor power equipment and creates the potential for harm to Alaska's consumers and businesses alike. OPEI is also a member of the Coalition Against Illegal Tampering which represents the broader off-road equipment sector and their shared concerns about the unsafe and in some cases illegal modification and tampering with equipment.

OPEI is an international trade association representing the manufacturers and their suppliers of non-road gasoline powered engines, personal transport & utility vehicles, golf cars and consumer and commercial outdoor power equipment ("OPE"). OPE includes lawnmowers, garden tractors, trimmers, edgers, chain saws, snow throwers, tillers, leaf blowers and other related products. OPEI member companies and their suppliers contribute approximately \$16 billion to US GDP each year. OPEI members currently distribute their products across all 50 states, through a diversity of retail outlets including independent dealers who are authorized to sell and service their equipment through a contractual arrangement.

Attached is detailed information on the OPE industry, its products, and the concerns underlying our opposition to this legislation. In summary, SB 111 creates risks of OPE modification outside the scope of recommendations for repair made by the manufacturer. Such modifications risk impairment of product safety controls creating the potential for unsafe products and impairment of product emission controls creating the potential for environmental harm and violation of federal laws.

As much as any U.S. state, Alaskan consumers and businesses rely on the dependability and performance of member products for utility uses, providing for their personal safety and livelihoods. These products include utility off-road vehicles, snowmobiles, generators, snow throwers, and chainsaws. The reliance on these products in the face of extreme weather conditions is predicated on the appropriate maintenance and repair of the products as recommended by the manufacturer. SB 111 instead only creates an increased risk of unsafe product modification, whether intentional or not, rather than a "right to repair".



As a general matter this broad legislation fails to consider the diversity of our industry's products and their repair needs, including our members' effective record of providing for product repair. This includes our industry's 2023 commitment to offer additional repair resources, in cases where the product and application may require it.

Thank you for the consideration of these comments, and I would be happy to address any questions you might have.

Best regards,

Daniel J Miti

Daniel J. Mustico Senior Vice President, Government & Market Affairs <u>dmustico@opei.org</u>

attachment

Outdoor Power Equipment Institute

WHY Outdoor Power Equipment (OPE) Manufacturers OPPOSE "Right to Repair" Legislation

Current legislation is overly broad with unintended consequences for consumers of outdoor power equipment ("OPE"). The OPE industry is instead committed to the consumer's right to repair where it does not risk modifications to products which compromise consumer safety, product performance, and environmental protection.

- Modification is not repair. Modifications are outside the scope of recommendations for repair made by the manufacturer.
- Providing access to embedded software may result in modifications, not repair.

WHO WE ARE, AND IMPORTANT UNIQUE ASPECTS OF THE OPE INDUSTRY

- \$16 billion U.S. industry
- 110 U.S. manufacturer members
- U.S. OPE industry employs 150,000 workers
- OPE includes: lawn mowers, snow throwers, chain saws, generators and more.
- OPE product use is ubiquitous in American households and businesses of all sizes, totaling approximately 250 million legacy products in use and new shipments of nearly 40 million products annually.
- OPE industry has a long history of consumer safety and environmental protection through the development of safety standards and engagement with government, including compliance with all regulations.

ABOUT OPE PRODUCTS

- Most OPE manufactured today relies on electronics and software code for various functions including safety and environmental compliance.
- OPE product offerings are increasingly electrifying with lithium-ion battery technology this results in the necessary use of software to control safety and operation of the machines.
- Depending on the type of power source of the OPE (e.g., gas, diesel, battery, AC), the proposed legislation can create very unique risks of product modification to products, whether intentional or not.
- Different from many of the other products impacted by this broad scope legislation, many types of OPE have significant service lives and markets for re-use, re-manufacture, and recycling.
- For OPE with shorter service lives, serviceability options are diverse and based on manufacturer consideration of price, service life, potential for consumer repair, and the complexity of the anticipated repairs.
- To effectively provide for these diverse repair needs, OPE is serviced (when applicable) through a diversity of channels including independent authorized dealers, independent service providers, and retailers.
- OPE manufacturers already provide tools necessary for the proper diagnosis, maintenance and repair of products, where safe and applicable.
- In cases where additional maintenance, diagnostic, and repair tools are still required or preferred for applicable products, effective 2023 manufacturers of residential and commercial lawn & garden equipment will offer such additional resources for purchase [for information see www.opei.org/right-repair-solutions/].

WHY "RIGHT TO REPAIR" LEGISLATION IS THE WRONG APPROACH, AND FAILS TO SERVE CONSUMERS AND HARMS MANUFACTURERS

- The legislation creates risks of improper repair and modification, whether intentional or not, which poses risks to consumer safety, product performance, and environmental protection.
- OPE maintenance, diagnostic, and repair needs cannot be equated with other equipment and products such as consumer electronics.
- Broad scope legislation is impractical for the OPE industry as products are significantly diverse according to price, service life, retail channel, potential for consumer repair and the complexity of anticipated repairs.



- For products with significant service life, improper/faulty repair and/or modification can shorten the service life and/or negatively impact the re-sale value of the product.
- Improper/faulty repair and/or modification can void the product's warranty.
- In some cases, legislation may infringe upon OEM intellectual property protections provided for under U.S. Federal law. Examples of areas where preemptive federal law may apply are copyright¹, trade secrets², fraud and abuse³, and air emission regulations⁴.

WHY "RIGHT TO REPAIR" LEGISLATION RISKS IMPAIRMENT OF PRODUCT SAFETY CONTROLS AND CREATES POTENTIAL FOR UNSAFE PRODUCTS

- Improper modification of software or hardware risks making products non-compliant with applicable safety standards, and as such unsafe. For example:
 - Modification creates the potential to impair Operator Presence Controls (OPC) which protect against injury by disabling powered components when an operator is not actively controlling equipment.
 - The integrity of the OPC of consumer pedestrian-controlled lawnmowers is required under law by a federal standard (U.S. Consumer Product Safety Commission)⁵.
 - Modifications to other controls of OPE may impair control mechanisms for speed, direction, steering, and braking.
- These safety risks apply not only to the OPE user, but commercial workplace employees and bystanders including vulnerable pedestrians where products are used in public settings for both residential and commercial purposes.
- Modifications may also result in the potential to expose OPE users to unsafe engine emission levels of carbon monoxide due to improper emission control modification.
- Where applicable to OPE, lithium-ion batteries are not amenable to any form of repair. For more information on batteries and their chargers see www.opei.org/battery-basics/.

WHY "RIGHT TO REPAIR" LEGISLATION RISKS IMPAIRMENT OF PRODUCT EMISSION CONTROLS, ENVIRONMENTAL HARM AND VIOLATION OF FEDERAL LAWS

- Where applicable, OPE is subject and compliant to product air emission regulations, which is governed by the machine's electronic / software controls. "Right to Repair" legislation risks potential product modifications which compromise air emissions and compliance with the law.
- "Right to Repair" legislation potentially inhibits federal (and state where applicable) jurisdiction over the regulation of engine emissions.
- The legislation further inhibits federal (and state where applicable) statutory anti-tampering provisions and may infringe upon protections of OEM intellectual property rights.
- Also where applicable (for battery-powered OPE), the legislation may inhibit federal (and state where applicable) jurisdiction over the regulation of battery and battery charger efficiency. For more information on batteries and their chargers see www.opei.org/battery-basics/.

Learn more at www.opei.org/right-repair-solutions/

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¹ The Copyright Act and Digital Millennium Copyright Act (DMCA)

² Defend Trade Secrets Act (DTSA)

³ Computer Fraud and Abuse Act (CFAA)

⁴ Clean Air Act (CAA)

⁵ U.S. Code of Federal Regulations, Part 1205, Safety Standard for Walk-Behind Power Lawn Mowers

IN OPPOSITION TO: S.B. 111 SB 111 – Digital Right to Repair Act

Via Electronic Mail: <u>Senate.Community.And.Regional.Affairs@akleg.gov</u>

Senate Community and Regional Affairs Committee

CRAIG TAYLOR EQUIPMENT OPPOSES S.B. 111

Chair Merrick and Committee Members -

My name is Chris Devine, and I am the President/CEO of Craig Taylor Equipment and Peterbilt of Alaska, a family-owned and operated dealership serving contractors, farmers, commercial trucking, homeowners, and municipal, state, and federal agencies since 1954.

Our company offers a wide range of construction, on-road trucks, agricultural and maintenance equipment consumers from our locations in Anchorage, Fairbanks, Soldotna, and Wasilla. As a proud, Alaskan owned business, we have grown alongside our communities, employing approximately 130 of our friends and neighbors in parts, service, sales, and management.

<u>We support our customers' right-to-repair</u>. Our industry has taken significant steps to provide diagnostic tools, information, and technology innovation empowering them to choose when, where, and how they service their machinery.

Parts Sales Mandate (Sec. 45.45.830): Repair and service parts are readily available to on-road truck and off-road equipment owners and independent repairers in Alaska.

Our dealership maintains approximately \$6.6M in parts inventory at any given time, and in 2024, nearly \$15M of those parts were sold directly to customers and third-party repair providers who completed their own repairs and maintenance. We collaborate closely with customers and local independent repair providers to ensure they have the necessary parts and guidance to perform repairs correctly and safely.

This mandate will decimate the service parts business of equipment dealers across the State. The customer support infrastructure will deteriorate as dealer service parts revenues no longer provide an economic return on investment.

The unintended consequences will be higher machine costs to customers. Absent the economic benefit of parts revenue and profits, dealers will have no alternative other than to raise the price of machines as a means to maintain business and employment viability.

SB111 will reduce access, not improve customer access, to service parts. This unprecedented mandate is a lose / lose proposition for consumers, dealers, and the State.

Documentation and Tools (Sec, 45.45.830). SB 111 seeks to make documentation and tools available to owners and independent repair providers.

The off-road equipment and the on-road truck industries readily make repair documentation and special tools accessible and available to equipment owners and independent repair providers. Information is available through our dealership and/or through our OEM websites.

It is unreasonable to require technical documentation and tools for highly sophisticated equipment be made available at no charge. Dealers pay for these assets and in the auto industry the customer and independent repair providers pay for these assets. OEMs incur significant cost in development, improvement and administration of documentation and tools, they should be allowed to recoup costs and reasonable profit.

Lack of Flexibility for Safety and Emissions: SB 111 does not provide the necessary flexibility to prevent illegal tampering with safety and emissions features. Some repairs require an internet connection and/or verification process to ensure compliance with safety and emissions specifications. S.B.111 seeks to nullify this verification process, leading to disputes over when technologies can be used, potentially violating federal regulations and intellectual property protections.

Our technicians face safety danger whenever they encounter a machine that has been modified, and the technician is un-aware of the modification.

Excessively Broad Terms (45.45.890): <u>Digital Product</u>: "<u>a product</u> that depends for it functioning, in whole or in part, on digital electronics embedded in or attached to the product."

On-road and off-road equipment is highly technical, often dangerous, and significantly more sophisticated and costly pieces of equipment that <u>do not belong in the same</u> regulation as consumer electronics.

<u>The definition of "documentation" includes the words "other guidance or information."</u> This is a vague and ambiguous phrase that will cause unnecessary confusion and conflict among dealers, customers, and independent repair providers.

S.B. 111 does not define the terms "repair," "diagnosis," or "maintenance" in the context of restoring equipment to OEM specifications. Instead, it only states that parts, tools, and documentation would ensure "product's functionality." <u>A piece of equipment can be fully functional while having safety and emissions systems disabled. This language necessitates clarification.</u>

<u>The term "program's data" – is not defined, is vague, and could extend to exposure of proprietary information and or trade secrets</u>

This ambiguity is particularly troubling as we rapidly advance toward autonomous equipment and sophisticated precision trucking, construction, and farming technologies.

Exemption Amendment: We urge the committee to join other States by amending SB111 to provide an exemption for these highly technical, often dangerous, and significantly more sophisticated and costly pieces of equipment.

Invitation for a Hands-on Discussion at our Location: We invite committee members to visit any of our locations for a candid discussion about on-road trucks and off-road products, our customer commitment and repair tools that are available to the public.

I respectfully urge you to oppose the passage of S.B. 111 as currently written.

Thank you for your consideration.

Chris Devine President /CEO Craig Taylor Equipment & Peterbilt of Alaska