# Committee Report

REGULAR CALENDAR

March 2, 2021

**HOUSE OF REPRESENTATIVES** 

REPORT OF COMMITTEE

The Majority of the Committee on Commerce and

Consumer Affairs to which was referred HB 449,

AN ACT relative to the repair of home appliances.

Having considered the same, report the same with the

following resolution: RESOLVED, that it is

INEXPEDIENT TO LEGISLATE.

Rep. Max Abramson

FOR THE MAJORITY OF THE COMMITTEE

Original: House Clerk

#### MAJORITY COMMITTEE REPORT

Committee:	Commerce and Consumer Affairs
Bill Number:	HB 449
Title:	relative to the repair of home appliances.
Date:	March 2, 2021
Consent Calendar:	REGULAR
Recommendation:	INEXPEDIENT TO LEGISLATE

#### STATEMENT OF INTENT

This bill requires home appliance manufacturers to make available to appliance owners and repair providers certain repair-related documentation, parts, and tools. The failure to do so would be a violation of the consumer protection act. The majority initially appreciated the need for consumers to bring older appliances to independent repair shops. Both environmental and economic benefits were touted by proponents, and members of the committee expressed elation at the possibility of saving money on the overall life of manufactured goods. However, no other state has passed legislation similar to this bill, and the majority saw why upon further review. Manufacturers would be compelled to supply "documentation, parts, and tools, inclusive of any updates to information or embedded software." Some manufacturers, for safety or other reasons, need to sell consumers a closed box that can only be serviced at shops that are certified by the manufacturer. To be as compact as possible, appliances have to be built in such a way that only their own technicians can diagnose, update firmware, repair, refurbish, or replace parts. Because there is currently a lot of innovation going on in these fields, the majority concluded that the state should not throw a wrench into the repair infrastructure.

Vote 10-8.

Rep. Max Abramson FOR THE MAJORITY

Original: House Clerk

#### REGULAR CALENDAR

Commerce and Consumer Affairs

HB 449, relative to the repair of home appliances. MAJORITY: INEXPEDIENT TO LEGISLATE. MINORITY: OUGHT TO PASS.

Rep. Max Abramson for the Majority of Commerce and Consumer Affairs. This bill requires home appliance manufacturers to make available to appliance owners and repair providers certain repairrelated documentation, parts, and tools. The failure to do so would be a violation of the consumer protection act. The majority initially appreciated the need for consumers to bring older appliances to independent repair shops. Both environmental and economic benefits were touted by proponents, and members of the committee expressed elation at the possibility of saving money on the overall life of manufactured goods. However, no other state has passed legislation similar to this bill, and the majority saw why upon further review. Manufacturers would be compelled to supply "documentation, parts, and tools, inclusive of any updates to information or embedded software." Some manufacturers, for safety or other reasons, need to sell consumers a closed box that can only be serviced at shops that are certified by the manufacturer. To be as compact as possible, appliances have to be built in such a way that only their own technicians can diagnose, update firmware, repair, refurbish, or replace parts. Because there is currently a lot of innovation going on in these fields, the majority concluded that the state should not throw a wrench into the repair infrastructure. Vote **10-8.** 

Original: House Clerk

REGULAR CALENDAR

March 2, 2021

**HOUSE OF REPRESENTATIVES** 

REPORT OF COMMITTEE

The Minority of the Committee on Commerce and

Consumer Affairs to which was referred HB 449,

AN ACT relative to the repair of home appliances.

Having considered the same, and being unable to agree

with the Majority, report with the recommendation that

the bill OUGHT TO PASS.

Rep. Christy Bartlett

FOR THE MINORITY OF THE COMMITTEE

Original: House Clerk

#### MINORITY COMMITTEE REPORT

Committee:	Commerce and Consumer Affairs
Bill Number:	HB 449
Title:	relative to the repair of home appliances.
Date:	March 2, 2021
Consent Calendar:	REGULAR
Recommendation:	OUGHT TO PASS

#### STATEMENT OF INTENT

This is a scaled-back version of bills the Commerce and Consumer Affairs Committee has heard in the past. It's fairly narrow and would allow the owner of an appliance to have the ability to choose to repair it or hire a repair person of choice. It would require home appliance manufacturers to make available certain repair-related documentation, parts and tools. This is a good consumer protection bill and would open up competition and provide a fair market for repairs. Why should the owner of a home appliance be forced to use an authorized repair shop when there are many smart people who can fix or obtain the training necessary to fix the expensive appliances now sold? The "blue sheets" showed that 25 people registered in support of the bill and 12 registered in opposition. The minority believes lobbyists did not provide a good explanation for why the manufacturers oppose this reworked bill.

Rep. Christy Bartlett FOR THE MINORITY

Original: House Clerk

#### REGULAR CALENDAR

Commerce and Consumer Affairs

HB 449, relative to the repair of home appliances. OUGHT TO PASS.

Rep. Christy Bartlett for the **Minority** of Commerce and Consumer Affairs. This is a scaled-back version of bills the Commerce and Consumer Affairs Committee has heard in the past. It's fairly narrow and would allow the owner of an appliance to have the ability to choose to repair it or hire a repair person of choice. It would require home appliance manufacturers to make available certain repair-related documentation, parts and tools. This is a good consumer protection bill and would open up competition and provide a fair market for repairs. Why should the owner of a home appliance be forced to use an authorized repair shop when there are many smart people who can fix or obtain the training necessary to fix the expensive appliances now sold? The "blue sheets" showed that 25 people registered in support of the bill and 12 registered in opposition. The minority believes lobbyists did not provide a good explanation for why the manufacturers oppose this reworked bill.

Original: House Clerk

Archived: Thursday, April 22, 2021 1:39:36 PM

From: JOHN HUNT

Sent: Tuesday, March 9, 2021 10:04:03 AM

To: Carrie Morris Cc: Pam Smarling Subject: Fwd: blurbs Importance: Normal

OK, JBH

#### Begin forwarded message:

From: Max Abramson < MaxAbramson@gmx.com>

Subject: blurbs

Date: February 23, 2021 at 7:17:55 PM EST

To: John Hunt < jbhunt@prodigy.net>

#### HB265 Cushing Bottled Water ITL Abramson

While members of the committee expressed sympathy toward the need to guarantee that bottled water met state—rather than merely EPA and FDA—standards, the majority also noted that the State would be giving a false sense of security to shoppers who might get the impression that all water sold in the Granite State exceeded federal standards. In fact, seltzer water, colored or flavored water, or possibly even ice could be sold under this bill that didn't meet those standards. More importantly, the DHHS is currently coming up with its own regulations on bottled water, and the majority recognizes the need to wait on the results of those regulations rather than risking the creation of statutes that could conflict so the committee has retain HB335 which has the exact same language.

#### HB449 Luneau Right to Repair Home Appliances ITL Abramson

The majority initially appreciated the need for consumers to bring older appliances to independent repair shops. Both environmental and economic benefits were touted by proponents, and members of the committee expressed elation at the possibility of saving money on the overall life of manufactured goods. However, no other state has passed this bill, and the majority saw why upon review. Manufacturers would be compelled to supply "documentation, parts, and tools, inclusive of any updates to information or embedded software." Some manufacturers, for safety or other reasons, need to sell consumers a closed box that can only be serviced at shops that are certified by the manufacturer. To be as compact as possible, appliances have to be built in such a way that only their own technicians can diagnose, update firmware, repair, refurbish, or replace parts. Because there is currently a lot of innovation going on in these fields, the majority concluded that the State should not throw a wrench into the repair infrastructure and suffer from the Law of Unintended Consequences.

#### HB618 Spang Polystyrene Packaging ITL Abramson

While the majority agreed that growing landfills are a problem, we saw that far more good could be accomplished by letting consumers choose to bring reusable cups and containers where possible or even shopping at stores that use recycled containers. New Hampshire is forced to operate a more libertarian state government than we might otherwise choose simply because most of our state's businesses and population lie within a short drive of Vermont, Maine, and Massachusetts. Because of this, restrictions on business merely tend to drive shoppers, business activity, jobs, and revenue to neighboring states. Worse,

members of the committee were concerned that more of our nation's forests would need to be felled to produce the paper for paper cups, sleeves, and other food containers to replace polystyrene. Members of the committee asked for more evidence that food in polystyrene containers leaked chemicals that cause harm, but heard only a few statements and reference to a single study. For this reason, the majority recognizes the need to leave action up to consumers.

#### Rep. Max Abramson

Free Chad Evans. There is justice in Heaven, and there is justice in Hell. Both are therefore a law abider's utopia's compared to this monstrosity that our taxpayers are compelled to prop up.

"The problem isn't that Johnny can't read. The problem isn't even that Johnny can't think. The problem is that Johnny doesn't know what thinking is; he confuses it with feeling."
--Thomas Sowell

"It is better to take refuge in the Lord than to trust in man." --Psalms 118:8

#### HB 449 relative to the repair of home appliances

#### **Minority Report**

This is a scaled-back version of bills the Committee has heard in the past. It's fairly narrow and would allow the owner of an appliance to have the ability to choose to repair it or hire a repair person of choice. It would require home appliance manufacturers to make available certain repair-related documentation, parts and tools. This is a good consumer protection bill and would open up competition and provide a fair market for repairs. Why should the owner of a home appliance be forced to use an authorized repair shop when there are many smart people who can fix or obtain the training necessary to fix the expensive appliances now sold? The "blue sheets" showed Support 25 vs. Oppose 12. The lobbyists did not provide a good explanation why the manufacturers oppose this re-worked bill.

Rep Christy D Bartlett

3/6/21

# Voting Sheets

#### HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

#### **EXECUTIVE SESSION on HB 449**

**BILL TITLE:** relative to the repair of home appliances.

**DATE:** March 2, 2021

LOB ROOM: Zoom

**MOTIONS:** INEXPEDIENT TO LEGISLATE

Moved by Rep. Abramson Seconded by Rep. Potucek Vote: 10-8

CONSENT CALENDAR: NO

<u>Statement of Intent</u>: Refer to Committee Report

Respectfully submitted,

Rep Keith Ammon, Clerk

### HOUSE COMMITTEE ON COMMERCE

#### EXECUTIVE SESSION ON HB 449

**BILL TITLE:** relative to the repair of home appliances;

DATE: 3/2/202	1		
LOB ROOM: 2	Zoom		
MOTION: (Please	check one box)		
ОТР	<b>✓</b> ITL	Retain (1st year)	Adoption of
		Interim Study (2 <sup>nd</sup> year)	Amendment #(if offered)
Moved by Rep	Abramson	Seconded by RepPotucek	Vote:10-8
MOTION: (Please	check one box)		
ОТР (	OTP/A ITL	Retain (1st year)	Adoption of
		Interim Study (2 <sup>nd</sup> year)	Amendment # (if offered)
Moved by Rep		Seconded by Rep.	Vote:
MOTION: (Please	check one box)		
ОТР 🔲 О	OTP/A ITL	Retain (1st year)	Adoption of
		Interim Study (2 <sup>nd</sup> year)	Amendment # (if offered)
Moved by Rep		Seconded by Rep.	Vote:
MOTION: (Please	check one box)		
ОТР (	OTP/A ITL	Retain (1st year)	Adoption of
		Interim Study (2 <sup>nd</sup> year)	Amendment #(if offered)
Moved by Rep		Seconded by Rep.	Vote:
	CONSENT CA	LENDAR?	Yes _X No
Minority Report?	_X Yes	No If yes, author, Rep.:	_Bartlett Motion:OTP
	Respectfull	y submitted, Rep. <u>Ammon</u>	, Clerk

# STATE OF NEW HAMPSHIRE OFFICE OF THE HOUSE CLERK



1/22/2021 9:55:55 AM Roll Call Committee Registers Report

#### **2021 SESSION**

#### **Commerce and Consumer Affairs**

Bill #:	HB449	Motion:	ITL	AM #:	Exec Session Date:	3/2/2021

<u>Members</u>	YEAS	<u>Nays</u>	<u>NV</u>
Hunt, John B. Chairman	10		
Potucek, John M. Vice Chairman	1		
Osborne, Jason M.	2		
Ammon, Keith M. Clerk	3		
Abramson, Max	4		
Ham, Bonnie D.	5		
Depalma IV, Joseph	6		
Greeson, Jeffrey	7		
Johnson, Dawn M.	8		
Terry, Paul A.	9		
Bartlett, Christy D.		1	
Abel, Richard M.		2	
Herbert, Christopher J.		3	
Van Houten, Constance		4	
Fargo, Kristina M.		5	
Weston, Joyce		6	
Beaulieu, Jane E.		7	
Burroughs, Anita D.		8	
McAleer, Chris R.			
TOTAL VOTE:	10	8	

# Hearing Minutes

#### HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

#### **PUBLIC HEARING ON HB 449**

BILL TITLE: relative to the repair of home appliances.

DATE: February 17, 2021

LOB ROOM: 302 Hybrid Time Public Hearing Called to Order: 2:30 p.m.

Time Adjourned: 3:14 p.m.

<u>Committee Members</u>: Reps. Hunt, Potucek, Ammon, Abramson, Ham, Depalma IV, Greeson, Johnson, Terry, Bartlett, Abel, Herbert, Van Houten, Fargo, Weston, Beaulieu, Burroughs and McAleer

Bill Sponsors: Rep. Luneau

#### **TESTIMONY**

\* Use asterisk if written testimony and/or amendments are submitted.

#### Rep Bartlett

I'm introducing this bill HB449 on behalf of the sponsor. The committee has heard similar bills in the past. The scope of this bill is limited to washers and dryers and fair and reasonable terms.

#### Rep Abramson

Q: To draw attention to intent, toward the bottom for home appliances. "Manufacturer shall make available." In Seabrook we have second-hand providers?

- A: I believe that it does.
- Q: How can a manufacturer prevent those appliances being sold in NH?
- A: I just introduced the bill. You'll have to ask some of the people behind me.

#### Gay Gorden-Byrne

Exec Director of Repair.org. Non-profit with over 450 members. Most are in the business of repair. Some members are focused on consumer protection. Two years ago, I was in Vermont for this very same bill. Senator asked, What's the useful life of a refrigerator? The average life dropped from 20 to 12 years because of electronics. I was able to get a repair main in. Repair man told her that electronic components break all the time. These used to be called durable goods. From an electronic standpoint they're all doomed. Even adding a capacitor to a circuit board – capacitors wear out. If we can't repair these large things. I have tried to fix my toaster - not a big deal. But if my refrigerator breaks - repair is \$500 - now I'm in the market for a new \$1000 appliance. Pandemic has shrunk the options, repairs aren't happening, stores out of inventory, people aren't shopping. Parts are now being repair password protected. Manufacturer (GE) says a repair man must come in to enter the password. That is going on broadly and going to kill a lot of repairs that are currently available and will become impossible. Repair is only restoration. Need to know what error codes mean, need diagnostic tools to know what the failure is. My dishwasher broke and I knew that the code meant there was a clog. The diagnostics were created to make it easy to repair. Manufacturers have a warranty obligation, so they create diagnostic tools to make it easy. Repairman checks diagnostics, replaces part, reruns diagnostics – that's it – here's your bill. We used to call it entertainment hour when our opposition would describe horrible scenarios that aren't tied to repair, they're tied to frightening legislators. Schools, colleges, on the job training, provide training. These are \$20 hour

technicians. Much like an automotive repair technician. Even though I'm in NY not NH I would want to do that if I lived in NH.

#### Rep Ham

Q: Is there a requirement for manufacturers to stock parts for 5 or 10 years? I had an appliance fail and repair shop said they don't make enough parts to be able to repair your appliance.

A: To my knowledge, no requirements. California has a requirement for 5 years.

#### Rep Abramson

Q: Isn't one of the arguments to cut down on landfill use and improve negative environmental impact of buying these manufactured goods.

A: It's a fortunate by product. A refrigerator you can't fix is going to go in a landfill.

#### Dylan Tice

Barrington resident. Engineer and technician, I do mostly desk work at this point. In support of this bill because I prefer independent repair. They are generally be allowed to do this the authorized repair person isn't allowed to do. Go to auto dealer with exhaust leak. A dealer will give you \$1500 bill. Independent shops can do their job better. Scope issue with the previous bill, would you considering making it a voluntary thing, but with a mandatory disclosure? As a consumer I'm trying to navigate which product to buy. Most people don't know what they can repair until it breaks. At least with Obamacare it defined basic essential coverage. If they have to disclose, they can't put obstacles and barriers to repair without us knowing about it until it breaks.

Rep Hunt: Interesting concept.

#### John Keane\*

Association of Home Appliance Manufacturers. I live in DC area. Opposition. AHAM believes this bill raises far more safety concerns and issues that it seeks to address. Our industry encompasses everything from your refrigerator, clothes washer, microwave, and electric toothbrush and with that, repairs come with the handling of refrigerant gases, wiring and electrical connections. In fact, appliances are subject to: electrical codes, building codes, plumbing codes, safety standards, as well as state requirements to handle gas and electricity to ensure our products are handled safely. That is why it is paramount to have an authorized repair professional who is trained to properly handle our products to ensure the customers remains safe. Opening up the repair process to any third party could have a significant impact on the safety and reliability of the product. Improper repairs could lead to significant property damage. It could also lead to the compromise of the connected features of the product and all the personal data is potentially exposed. Manufacturers also no longer have the ability to properly assess whether the technicians entering homes have met the necessary technical, safety and security checks mentioned earlier to ensure the customer remains safe. I do want to mention that any repair provider can conduct appliance repairs if the repair providers seeks the proper certifications and training set forth by the appliance manufacturer. In fact, there is currently a nationwide home appliance service and repair network that includes over 20,000 servicers and repair shops that are authorized in the U.S. of the 20,000 repairers, roughly 88 percent are local, independent brand/manufacturer affiliated. To conclude, appliances are complex products that require training and accountability. Untrained repairs can compromise safety and security. With that, I strongly urge you to oppose HB449 and glad to answer any questions you may have.

#### Rep Bartlett

Q: How is it a safety issue and not under the purview of the manufacturer's representative?

A: Lid switch on a washer. Dangerous if someone sticks their hand in. You have refrigerants, range hoods require gas, every major appliance has parts that require federal and state certifications just to handle.

Q: I can't imagine that a repair person wouldn't be able to repair a lid lock or refrigerant in a refrigerator. You're still talking about calling a competent repairman. What is it that's a secret that nobody can know about to be able to repair a washing machine propertly?

- A: Our technicians are trained on the model. You can become an authorized repair man and not be affiliated with a manufacturer. You can learn the "secrets" through the training process.
- Q: How can an independent repair man can become trained?
- A: Two layers, 1) Need to meet all state and federal requirements to handle gas, electricity, wiring. 2) Manufacturer-specific. They will hold trainings on their models for repair individuals. Repair technicians will focus on one or two manufacturers.

Rep Hunt: Authorized service technicians are affiliated with organizations that sell that equipment. Place where you buy a fancy refrigerator, they'll have technicians fully trained by the manufacturer. This is about third party technicians.

#### Rep Terry

Q: Is it the position of your group that people not be able to repair their own appliances? Examples. I ordered the parts from a third party, followed instructions, and fixed my water heater and my dishwasher myself. Do you have an opinion on that? Should I have been allowed to do that myself?

A: Some appliance repairs can be done by consumers. Repairs that involve radiation, gas, electricity, that would require certification to handle. I've done repairs myself. Many manufacturers will help you do repairs.

#### Rep Abramson

Q: If I own a refrigerator or any other appliance, isn't it mine to repair or take to a repair shop? Why should the manufacturer prevent me from repairing something that belongs to me?

A: The manufacturer isn't preventing. There are authorized, independent repair people that can fix your refrigerator. For a refrigerator to live its full lifecycle, we don't want parts that are not meant for that refrigerator.

#### Rep Herbert

Q: Is there a commitment to have the parts available for a certain period of time, is there a commitment to have available to have parts to repair?

A: There is no formal commitment. That's between manufacturers. They do their best to make sure all the appliances on the market have the parts available to fix any appliance.

#### Rep Ammon

- Q: There was some discussion earlier about diagnostics. You plug in a piece of diagnostic equipment and it displays and error code. The manufacturer has control over what those error codes mean. They're designed to speed up the diagnosis of the problem but there's also an opportunity to obfuscate those code, not make them publicly available, so that only a certain number of people know what those error codes mean. Is there any commitment on the part of manufacturers to make those codes and diagnostic equipment publicly available so that some people aren't at a disadvantage in diagnosing a problem?
- A: I cannot commit to that. The reason diagnostic tools are there is to make sure our professionals who can handle those diagnostics as they are. With the smart appliances, they're all connected. We want to make sure we have people who are trained to handle those appliances. There are tools there to allow people who are trained on those appliances.
- Q: There's a relatively new thing happening with repair, referred to in an earlier testimony, manufacturers of not just appliances, but cell phones, tablets, electronic equipment. The manufacturer is password protecting the replacement of a component. You figure out what the magic trouble code means, you get an identical part to replace, but in order to install that part you need a password. What's the purpose of password protecting identical components so the manufacturer keeps control over who can install an identical part?
- A: For personal protection. This bill opens up your home network to anyone who can come into your house. Our industry is unique in that people can walk into your house to repair your products.

Having password protection make it so it's just you and the people who know your products can handle your products.

#### Nathan Proctor

In Arlington Massachusetts. Public Interest Research Group. Consumer advocacy group. Some things were covered. I believe people are capable and smart. I don't we need a word where manufacturers get to decide who can fix what. I don't believe we need manufactures to tell us who can repair. There are a billion appliances out in the wild. If there was some safety issue introduced by repair or self-repair. People can manage the repair of their own appliances. Technicians are forced to sign a contract that gives you significant power of what you can do with their equipment. Even if you're authorized by one company you're not by another company. If you partner with an OEM and get certified, you're required to do warranty jobs at a loss. So, most technicians can't get certified with more than one or two manufacturers. You're limited to how many manufacturers you can contract with. Manufacturers are pushing costs to out of warranty repairs. This is a new change to the industry and it makes it more expensive to consumers.

#### Rep Abramson

Q: Do you believe that it's a motivation that they're trying to overcharge consumers for the same repairs.

A: From talking to technicians, they use it to control the cost of warranty repairs. You can't get access to our part network or service documentation and diagnostic equipment unless you get certified and do warranty repairs at a loss. If they had an open market for repairs then they would have to be more honest with their warranty charges and it would incentivize them to make products that don't break.

Q: Is it the intent of this bill that more local shops would be able to repair existing appliances?

A: Absolutely. Some of the repair shops that are authorized by one manufacturer now can have access to the documentation for the other manufacturers, if they get called in and there are different manufacturers that they need to fix.

#### Rep Abel

Q: New Hampshire has 0.6% of the nation's population. We'd have difficulty to have critical mass to effect anything. Which states have this kind of bill in place?

A: Nationally, no appliance right to repair. There are 19 states considering 31 bills. This is an issue that isn't going to go away. Consumers are unhappy with the status quo. It's going to happen at some point. We narrowed it to appliances because repair control isn't as important to the appliance industry as other industries. Manufacturers are predicting this will happen and are waiting it out.

#### Rep Fargo

Q: No fiscal note but has to be enforced by AG's office, is that a concern?

Rep Hunt: I've never seen a fiscal note come out of the AG's office.

#### HOUSE COMMITTEE ON COMMERCE & CONSUMER AFFAIRS

PUBLIC HEARING on Bill # \_\_ HB 449\_\_\_\_\_ BILL TITLE: relative to the repair of home appliances DATE: Feb 17, 2021

ROOM: Zoom Time Public Hearing Called to Order: 2:30 PM

Time Adjourned: \_3:14 PM\_\_\_\_\_

(please bold if present)

<u>Committee Members</u>: Reps. Hunt, Potucek, Ammon, Osborne, Abramson, Ham, Depalma IV, Greeson, Johnson, Terry, Bartlett, Abel, Herbert, Van Houten, Fargo, Weston, Beaulieu, Burroughs and McAleer

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Rep Hunt: Authorized service technicians are affiliated with organizations that sell that equipment. Place where you buy a fancy refrigerator, they'll have technicians fully trained by the manufacturer. This is about third party technicians.

#### Rep Terry

Q: Is it the position of your group that people not be able to repair their own appliances? Examples. I ordered the parts from a third party, followed instructions, and fixed my water heater and my dishwasher myself. Do you have an opinion on that? Should I have been allowed to do that myself?

A: Some appliance repairs can be done by consumers. Repairs that involve radiation, gas, electricity, that would require certification to handle. I've done repairs myself. Many manufacturers will help you do repairs.

#### Rep Abramson

Q: If I own a refrigerator or any other appliance, isn't it mine to repair or take to a repair shop? Why should the manufacturer prevent me from repairing something that belongs to me?

A: The manufacturer isn't preventing. There are authorized, independent repair people that can fix your refrigerator. For a refrigerator to live its full lifecycle, we don't want parts that are not meant for that refrigerator.

#### Rep Herbert

Q: Is there a commitment to have the parts available for a certain period of time, is there a commitment to have available to have parts to repair?

A: There is no formal commitment. That's between manufacturers. They do their best to make sure all the appliances on the market have the parts available to fix any appliance.

#### Rep Ammon

Q: There was some discussion earlier about diagnostics. You plug in a piece of diagnostic equipment and it displays and error code. The manufacturer has control over what those error codes mean. They're designed to speed up the diagnosis of the problem but there's also an opportunity to obfuscate those code, not make them publicly available, so that only a certain number of people know what those error codes mean. Is there any commitment on the part of manufacturers to make those codes and diagnostic equipment publicly available so that some people aren't at a disadvantage in diagnosing a problem?

A: I cannot commit to that. The reason diagnostic tools are there is to make sure our professionals who can handle those diagnostics as they are. With the smart appliances, they're all connected. We want to make sure we have people who are trained to handle those appliances. There are tools there to allow people who are trained on those appliances.

Q: There's a relatively new thing happening with repair, referred to in an earlier testimony, manufacturers of not just appliances, but cell phones, tablets, electronic equipment. The manufacturer is password protecting the replacement of a component. You figure out what the magic trouble code means, you get an identical part to replace, but in order to install that part you need a password. What's the purpose of password protecting identical components so the manufacturer keeps control over who can install an identical part?

A: For personal protection. This bill opens up your home network to anyone who can come into your house. Our industry is unique in that people can walk into your house to repair your products. Having password protection make it so it's just you and the people who know your products can handle your products.

#### **Nathan Proctor**

In Arlington Massachusetts. Public Interest Research Group. Consumer advocacy group. Some things were covered. I believe people are capable and smart. I don't we need a word where manufacturers get to decide who can fix what. I don't believe we need manufactures to tell us who can repair. There are a billion appliances out in the wild. If there was some safety issue introduced by repair or self-repair. People can manage the repair of their own appliances. Technicians are forced to sign a contract that gives you significant power of what you can do with their equipment. Even if you're authorized by one company you're not by another company. If you partner with an OEM and get certified, you're required to do warranty jobs at a loss. So, most technicians can't get certified with more than one or two manufacturers. You're limited to how many manufacturers you can contract with. Manufacturers are pushing costs to out of warranty repairs. This is a new change to the industry and it makes it more expensive to consumers.

#### Rep Abramson

Q: Do you believe that it's a motivation that they're trying to overcharge consumers for the same repairs.

A: From talking to technicians, they use it to control the cost of warranty repairs. You can't get access to our part network or service documentation and diagnostic equipment unless you get certified and do warranty repairs at a loss. If they had an open market for repairs then they would have to be more honest with their warranty charges and it would incentivize them to make products that don't break.

Q: Is it the intent of this bill that more local shops would be able to repair existing appliances?

A: Absolutely. Some of the repair shops that are authorized by one manufacturer now can have access to the documentation for the other manufacturers, if they get called in and there are different manufacturers that they need to fix.

Rep Abel

Q: New Hampshire has 0.6% of the nation's population. We'd have difficulty to have critical mass to effect anything. Which states have this kind of bill in place?

A: Nationally, no appliance right to repair. There are 19 states considering 31 bills. This is an issue that isn't going to go away. Consumers are unhappy with the status quo. It's going to happen at some point. We narrowed it to appliances because repair control isn't as important to the appliance industry as other industries. Manufacturers are predicting this will happen and are waiting it out.

Rep Fargo

Q: No fiscal note but has to be enforced by AG's office, is that a concern?

Rep Hunt: I've never seen a fiscal note come out of the AG's office.

## **House Remote Testify**

## Commerce and Consumer Affairs Committee Testify List for Bill HB449 on 2021-02-17

Support: 29 Oppose: 15 Neutral: 0 Total to Testify: 6

<u>Name</u>	City, State Email Address	<u>Title</u>	Representing	<b>Position</b>	<u>Testifying</u>	Signed Up
Zieminski, Matt	mzieminski@outlook.com	A Member of the Public	Myself	Support	Yes (5m)	2/16/2021 8:11 PM
Proctor, Nathan	nproctor@pirg.org	A Lobbyist	U.S. PIRG	Support	Yes (4m)	2/15/2021 6:39 PM
Tice, Dylan	dytice@gmail.com	A Member of the Public	Myself	Support	Yes (4m)	2/17/2021 7:43 AM
Keane, John	JKEANE@AHAM.ORG	A Lobbyist	Association of Home Appliance Manufacturers	Oppose	Yes (3m)	2/11/2021 2:18 PM
Gallager, Eric	eric.gallager@leg.state.nh.us	An Elected Official	Myself	Support	Yes (2m)	2/16/2021 10:20 PM
Gordon-Byrne, Gay	ggbyrne@repair.org	A Member of the Public	Myself	Support	Yes (0m)	2/16/2021 8:29 AM
Reardon, Donna	Bugs42953@aol.com	A Member of the Public	Myself	Support	No	2/16/2021 8:52 AM
Lucas, Janet	janluca1953@gmail.com	A Member of the Public	Myself	Support	No	2/16/2021 10:50 AM
Thompson, Brittney	brittneyt603@gmail.com	A Member of the Public	Myself	Support	No	2/16/2021 11:05 AM
Leswing, Katherine	katherine.leswing@gmail.com	A Member of the Public	Myself	Support	No	2/15/2021 7:30 PM
Pedersen, Michael	PedersenUSA@aim.com	An Elected Official	Hillsborough 32	Support	No	2/15/2021 11:38 PM
Mennella, Alexandra	amennella1@protonmail.com	A Member of the Public	Myself	Oppose	No	2/16/2021 8:24 PM
Axelman, Elliot	aluaxelman@gmail.com	A Member of the Public	Myself	Oppose	No	2/16/2021 10:04 PM
Greene, Bob	bob.greene@leg.state.nh.us	An Elected Official	Myself	Oppose	No	2/17/2021 10:02 AM
Osborne, Jason	houserepoffice@leg.state.nh.us	An Elected Official	Myself	Oppose	No	2/17/2021 8:15 AM
Smith, Jonathan	jhsmithnh5@gmail.com	An Elected Official	Myself	Oppose	No	2/17/2021 8:55 AM
Sheehan, Vanessa	vsheehan16@yahoo.com	An Elected Official	Myself	Oppose	No	2/17/2021 8:57 AM
THEBERGE, ROBERT	rolath@hotmail.com	An Elected Official	Myself	Oppose	No	2/17/2021 9:11 AM
Edwards, Jesse	secure4posterity@yahoo.com	A Member of the Public	Myself	Oppose	No	2/17/2021 9:24 AM

Boyd, Stephen	seboyd2020@gmail.com	An Elected Official	Myself	Oppose	No	2/17/2021 10:48 AM
Bartlett, Christy	christydbartlett@gmail.com	An Elected Official	Merrimack 19	Support	No	2/17/2021 12:33 PM
Piemonte, Tony	tony.piemonte@leg.state.nh.us	An Elected Official	Myself	Oppose	No	2/17/2021 11:38 AM
Groetzinger, Tonda	groetzinger6@aol.com	A Member of the Public	Myself	Support	No	2/17/2021 11:40 AM
Hill, Greg	Greghillnh@gmail.com	An Elected Official	Merrimack 3	Oppose	No	2/17/2021 11:59 AM
Leah, Cushman	leah.cushman@leg.state.nh.us	An Elected Official	Myself	Oppose	No	2/17/2021 12:07 PM
Berezhny, Rep. Lex	Grafton, NH lex@berezhny.com	An Elected Official	Grafton District 9	Support	No	2/17/2021 2:24 PM
Babiarz, John	grafton, NH boottest@yahoo.com	A Member of the Public	Myself	Support	No	2/17/2021 2:31 PM
MacBride, Hannah	hannah.lee.macbride@gmail.com	A Member of the Public	Myself	Support	No	2/14/2021 5:46 PM
Yokela, Josh	josh.yokela@leg.state.nh.us	An Elected Official	Rockingham 33	Oppose	No	2/14/2021 4:27 PM
Babb, Paul	paulbabb@protonmail.com	A Member of the Public	Myself	Oppose	No	2/14/2021 8:55 PM
Anastasia, Patricia	patti.anastasia@gmail.com	A Member of the Public	Myself	Support	No	2/15/2021 9:38 AM
Gourvitz, Rachel	rachel.gourvitz@gmail.com	A Member of the Public	Myself	Support	No	2/15/2021 9:40 AM
Jones-Ball, Rebecca	kestrelcrossings@gmail.com	A Member of the Public	Myself	Support	No	2/15/2021 9:45 AM
Reynolds, Ashley	ashley.anne.reynolds@comcast.net	A Member of the Public	Myself	Support	No	2/15/2021 10:04 AM
Broshek, Mary Anne	mabandsadie@gmail.com	A Member of the Public	Myself	Support	No	2/15/2021 11:07 AM
WALSH-ROBART, Nancy	cilleyville@gmail.com	A Member of the Public	Myself	Support	No	2/15/2021 11:20 AM
Chase, Susan	srfchase@gmail.com	A Member of the Public	Myself	Support	No	2/15/2021 11:44 AM
Heslin, Mary	mlheslin@yahoo.com	A Member of the Public	Myself	Support	No	2/15/2021 11:50 AM
Larson, Ruth	ruthlarson@msn.com	A Member of the Public	Myself	Support	No	2/15/2021 12:03 PM
Williams, Molly	mysticgarden@gmail.com	A Member of the Public	Myself	Support	No	2/15/2021 12:22 PM
Torpey, Jeanne	jtorp51@comcast.net	A Member of the Public	Myself	Support	No	2/15/2021 12:46 PM
Piche, Kelly	kellydpiche@gmail.com	A Member of the Public	Myself	Support	No	2/15/2021 1:56 PM
Maynard, Richard	maynardrick@outlook.com	A Member of the Public	Myself	Support	No	2/15/2021 4:14 PM
Thomas, Nicholas	nicholas.w.thomas@uconn.edu	A Member of the Public	Myself	Support	No	2/16/2021 10:34 PM

# Testimony



February 16, 2021

The Honorable John Hunt, Chair
The Honorable John Potucek, Vice Chair
New Hampshire House Committee on Commerce and Consumer Affairs
LOB Room 302
Concord, NH 03301

Re: HB 449, Right to Repair – SUPPORT

Dear Chair Hunt and Vice Chair Potucek,

Consumer Reports<sup>1</sup> appreciates your committee holding a hearing on HB 449. This important legislation will help ensure that consumers have the choice to fix their own appliances, if they can, or to have them fixed by a repair servicer of their choosing, including servicers independent of the manufacturer. Our organization has long supported this "right to repair," including by developing a model act to help guide state legislators.<sup>2</sup> And we have also incorporated this principle into the Digital Standard, a set of best practices that we use to evaluate the privacy and security of software, digital platforms and services, and internet-connected products, as well as to help influence the design of these products.<sup>3</sup> It is important to safeguard and maintain consumers' ability to exercise their full rights of ownership over the products they purchase, including the right to repair them, and the right to resell them, even as technology evolves.<sup>4</sup>

Unfortunately, it's often difficult for consumers to make simple repairs on their appliances – even simple repairs. Not only are electronics frequently designed in a way to intentionally prevent easy repair, but manufacturers are clamping down on access to the diagnostic information, repair tools, and replacement parts needed to fix consumer electronic products. Some manufacturers even put digital locks and disabling tripwires on devices to

<sup>&</sup>lt;sup>1</sup> Consumer Reports is an independent, nonprofit member organization that works side by side with consumers for truth, transparency, and fairness in the marketplace. We use our rigorous research, consumer insights, journalism, and policy expertise to inform purchase decisions, improve the products and services that businesses deliver, and drive regulatory and fair competitive practices.

<sup>&</sup>lt;sup>2</sup> Right to Repair Model State Law, CONSUMER REPORTS (updated December 2, 2020), https://advocacy.consumerreports.org/research/right-to-repair-model-state-law/.

<sup>&</sup>lt;sup>3</sup> The Digital Standard, https://www.thedigitalstandard.org/.

<sup>&</sup>lt;sup>4</sup> E.g., Comments of Consumers Union to U.S. Copyright Office, Software-Enabled Consumer Products Study (March 18, 2016), http://consumersunion.org/research/comments-to-the-u-s-copyright-office-regarding-software- enabled-consumer-products/.

block third-party repair. These tactics force consumers to rely on the manufacturer, or the manufacturer's chosen servicer, to fix these products. The manufacturer is then free to charge whatever it wishes, or even to refuse to repair the product and force the consumer to throw it away and buy a new product.

We hope your committee will advance this important consumer legislation. We look forward to working with you and others to secure an effective right to repair for consumers.

Sincerely,

Maureen Mahoney Policy Analyst George Slover

Senior Policy Counsel

cc: The Honorable David Luneau

Members, Committee on Commerce and Consumer Affairs

**Archived:** Wednesday, April 14, 2021 9:49:45 AM

From: Keane, John

Sent: Wednesday, February 17, 2021 4:41:04 PM

To: ~House Commerce Committee

**Subject:** AHAM Oral Testimony HB 449

**Importance:** Normal

- AHAM BELIEVES THIS BILL RAISES FAR MORE SAFETY CONCERNS AND ISSUES THAT IT SEEKS TO ADDRESS
- OUR INDUSTRY ENCOMPASSES EVERYTHING FROM YOUR REFRIGERATOR, CLOTHES WASHER, MICROWAVE, AND ELECTRIC TOOTHBRUSH AND WITH THAT, REPAIRS COMES WITH THE HANDLING OF REFRIGERANT GASES, WIRING AND ELECTRICAL CONNECTIONS
- IN FACT, APPLIANCES ARE SUBJECT TO: ELECTRICAL CODES, BUILDING CODES, PLUMBING CODES, SAFETY STANDARDS, AS WELL AS STATE REQUIREMENTS TO HANDLE GAS AND ELECTRICITY TO ENSURE OUR PRODUCTS ARE HANDLED SAFELY
- THAT IS WHY IT IS PARAMOUNT TO HAVE AN AUTHORIZED REPAIR PROFESSIONAL WHO IS TRAINED TO PROPERLY HANDLE OUR PRODUCTS TO ENSURE THE CUSTOMERS REMAINS SAFE
- OPENING UP THE REPAIR PROCESS TO ANY THIRD PARTY COULD HAVE A SIGNIFICANT IMPACT ON THE SAFETY AND RELIABILITY OF THE PRODUCT. IMPROPER REPAIRS COULD LEAD TO SIGNIFICANT PROPERTY DAMAGE
- IT COULD ALSO LEAD TO THE COMPROMISE OF THE CONNECTED FEATURES OF THE PRODUCT AND ALL THE PERSONAL DATA IS POTENTIALLY EXPOSED
- MANUFACTURERS ALSO NO LONGER HAVE THE ABILITY TO PROPERLY ASSESS WHETHER
  THE TECHNICIANS ENTERING HOMES HAVE MET THE NECESSARY TECHNICAL, SAFETY
  AND SECURITY CHECKS MENTIONED EARLIER TO ENSURE THE CUSTOMER REMAINS SAFE.
- I DO WANT TO MENTION THAT ANY REPAIR PROVIDER CAN CONDUCT APPLIANCE REPAIRS IF THE REPAIR PROVIDERS SEEKS THE PROPER CERTIFICATIONS AND TRAIING SET FORTH BY THE APPLIANCE MANUFACTURER.
- IN FACT, THERE IS CURRENTLY A NATIONWIDE HOME APPLIANCE SERVICE AND REPAIR NETWORK THAT INCLUDES OVER 20,000 SERVICERS AND REPAIR SHOPS THAT ARE AUTHORIZED IN THE U.S. OF THE 20,000 REPAIRERS, ROUGHLY 88 PERCENT ARE LOCAL, INDEPENDENT BRAND/MANUFACTURER AFFILIATED
- TO CONCLUDE, APPLIANCES ARE COMPLEX PRODUCTS THAT REQUIRE TRAINING AND ACCOUNTABILITY. UNTRAINED REPAIRS CAN COMPROMISE SAFETY AND SECURITY. WITH THAT, I STRONGLY URGE YOU TO OPPOSE HB 449 AND GLAD TO ANSWER ANY QUESTIONS YOU MAY HAVE.

John Keane Legislative and Regulatory Specialist Association of Home Appliance Manufacturers 1111 19th Street NW, Suite 402, Washington, DC 20036 t: 202.872.5955 x328 f: 202.872.9354 www.aham.org

Archived: Wednesday, April 14, 2021 9:49:45 AM

From: Maureen Mahoney

**Sent:** Tuesday, February 16, 2021 4:21:21 PM **To:** ~House Commerce Committee; George Slover

Subject: Consumer Reports Supports SB 449 - Right to Repair

**Importance:** Normal

**Attachments:** 

CR Letter HB 449 2.16.21.pdf

Dear Chair Hunt and Vice Chair Potucek,

Attached, please see Consumer Reports' letter in support of HB 449 (Right to Repair). Thank you for your consideration.

Sincerely,

Maureen Mahoney, Policy Analyst, Consumer Reports George Slover, Senior Policy Counsel, Consumer Reports

cc: The Honorable David Luneau

Members, Committee on Commerce and Consumer Affairs

--

Maureen Mahoney, Ph.D. Policy Analyst m (608) 234-8452 Pronouns: she/her/hers

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CR.org



\* \* \*

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\* \* \*

Archived: Wednesday, April 14, 2021 9:49:45 AM

From: Keane, John

**Sent:** Friday, February 26, 2021 3:08:03 PM

To: ~House Commerce Committee

Subject: HB 449: AHAM One-Pager Opposition

**Importance:** Normal

**Attachments:** 

New Hampshire HB 449 AHAM One-Pager (00101383).pdf

#### Good afternoon,

Please find attached one-pager from the Association of Home Appliance Manufacturers (AHAM) respectfully opposing HB 449. AHAM urges opposition to this legislation because it raises far more safety and security risks that it seeks to address. By opening up the repair process to any third party, it would have significant impact on the safety and reliability of these products as well as the potential for improper repairs resulting in property damage, flooding and/or fires. It is also important point to remember when considering legislative proposals that would allow anyone to enter a house fix their appliances and potentially gain access to the family's Internet through the connected features of products.

Manufacturers have invested in robust authorized repair networks that enable consumers to get their products fixed while also providing assurance that technicians are properly trained, use genuine parts and are held accountable when they screw up. Authorized repair networks ensure that technicians receive the appropriate training from manufacturers and have the qualifications so that repairs are done right. **HB 449 would completely undercut any critical consumer protections afforded by an authorized repair network.** 

These repair mandate bills have been rejected by every state Legislature where they have been filed, as policymakers recognize that the change in law would eliminate manufacturer's safe, secure, and reliable repair options that their constituents rely upon.

New Hampshire consumers should rest easy knowing that their appliances are being repaired in their homes safely and securely by properly trained repair professionals. Authorized servicers can be directly trained and provided tools to allow technicians to understand the systems included on every model and repair those products appropriately.

Thank you for considering our views on this bill and would be happy to discuss further.

John Keane
Legislative and Regulatory Specialist
Association of Home Appliance Manufacturers
1111 19th Street NW, Suite 402, Washington, DC 20036
t: 202.872.5955 x328 f: 202.872.9354 www.aham.org

Archived: Wednesday, April 14, 2021 9:48:05 AM

From: Patti Anastasia

Sent: Tuesday, February 16, 2021 4:57:48 PM

**To:** ~House Commerce Committee **Subject:** In support of HB 449

**Importance:** Normal

Dear Committee members, I am writing to you to voice my support of HB449. We have become such a disposable society and this must change before we are totally overrun with our waste stream. It has become difficult to make repairs to many large and small appliances and this bill is a step in the right direction to keep large and small appliances out of the waste stream. For example, I have a microwave oven that has a failing switch in the touch pad. Since it is impossible to repair this microwave, it will soon need to be disposed of and replaced. It works fine, but the On button is wearing out. I hate the idea that it cannot be fixed and has to be replaced.

Regards, Patricia Anastasia Londonderry, NH



1111 19th Street NW ➤ Suite 402 ➤ Washington, DC 20036 t 202.872.5955 f 202.872.9354 www.aham.org

#### WRITTEN STATEMENT

# JOHN KEANE LEGISLATIVE & REGULATORY SPECIALIST

ON BEHALF OF THE ASSOCIATION OF HOME APPLIANCE MANUFACTURERS

NEW HAMPSHIRE GENERAL COURT
HOUSE COMMERCE AND CONSUMER AFFAIRS COMMITTEE

HB 449- RELATIVE TO THE REPAIR OF HOME APPLIANCES

FEBRUARY 17, 2021

Chairman Hunt and Vice Chair Potucek and members of the Committee, thank you for the opportunity to share the view points of the home appliance manufacturing industry regarding the impacts of the concept of right to repair, HB 449.

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 factory shipment value of these products is more than \$38 billion annually. The home appliance industry, through its products and innovation, is essential to consumer lifestyle, health, safety and convenience. Through its technology, employees and productivity, the industry contributes significantly to the US job market and the nation's economic security. 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 HB 449 raises more concerns and issues than it seeks to address.

Home appliance manufacturers are continuously innovating in order to make better and more functionally convenient products for consumers. 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.

AHAM believes that HB 449 come into conflict with important industry doctrines:

- Safety: HB 449 poses serious product, property and consumer safety concerns.
- Cyber Security: HB 449 requires manufacturers to make certain technologies available to independent third parties who may not have the proper certification and training thus exposing the home to cyber threats.
- Manufacturer's Warranty: HB 449 could negate manufacturer's factory warranties.

#### Safety

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. The primary reason that so-called Right to Repair is of concern to the home appliance industry is the broad

safety concerns raised. There are three principal safety concerns: product safety, consumer safety and property safety.

#### **Product Safety**

HB 449 requires that home appliance manufacturers make all diagnostic and repair documentation available to independent third parties or equipment owners. Today, home appliances contain highly advanced operating systems and many of these products are considered smart or connected devices.

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.

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 very strictly and carefully control the access to these features by certified service professionals when performing any diagnostics and repair. 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.

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.

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.

Manufacturers apply the same rigor to the <u>repair</u> and or replacement of these components when training their service personnel as well to the service parts themselves. More often than not, OEM service parts and components are also listed or certified to the same safety standards as the appliance product. The potential safety impacts of a repair and replacement are complex concepts and topics that manufacturers have to incorporate into service training on an ongoing basis. Authorized service personnel training is generally an interactive, detailed, time consuming and resource intensive process, utilizing trainers and engineers. An unauthorized or general service repair person will not have the benefit of this rigorous training and most likely will not understand nor be aware of the complex and integrated safety functionalities of the system and may compromise the integrity of the product during a repair.

Underwriters Laboratory (UL) North American Washer Safety Standard (UL 2157/CSA 22.2 no 169)

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 in-depth 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.

#### 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.

Manufactures, 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. If manufacturers are required to make their technical information public knowledge, they no longer have the ability to address whether the technicians who are entering the homes of consumers have completed the necessary technical, safety and security checks. Under this bill, a repair person may only need a business license.

#### Cyber Security

In an increasingly connected world, the threat of cyber-attacks has extended into the home through connected technology. In fact, connected devices are in nearly every home, and the total number of those devices is expected to reach 26 billion. Home appliances touting "smart features" are already in the market. AHAM's member companies are leading the way in bringing

connected appliances to customers around the world and are committed to addressing those concerns so that consumers are able to access the full, life-enhancing potential of connected appliances while minimizing potential cyber threats. Without the proper training, independent third party service providers could unknowingly expose consumers to cyber threats while conducting un-secured repairs to these products.

HB 449 disregards security implications brought to light by requiring the release of firmware and other software systems within home appliances. Hacking, data privacy, cyber threats are real concerns, as homes become more connected. Right to Repair concepts have ignored these very real threats and will likely make home appliances more vulnerable to cyber-threats and corruption. For example, security key pairings have to be embedded in the firmware. If a manufacturer is required to provide the firmware to third parties, the manufacturer is providing the keys to the operating system, once the keys become public it completely breaks the firmware security chain and the home appliance is not fully secure.

This also applies to remote and wireless interaction. Connected appliances in some circumstances require Wi-Fi connectivity to the consumer's personal in-home network. Manufacturer authorized technicians when performing repairs or instructing consumers on the use of such products could gain access to those private networks. Manufacturer authorized technicians are under contract, for whom the authorized service providers may have traceability. Opening that access up to independent third parties may give unauthorized personnel access to consumer's private Wi-Fi network and create opportunity for further risk exposure.

#### Manufacturer's Warranty

Of course consumers are free to choose their service provider and replacement parts. But most manufacturers explicitly state that the warranty on the product is <u>void</u> in case of defects or damage caused by the use of unauthorized parts or service. That means that if a repair goes wrong, the cost of future repairs that might have been covered under the warranty could now be the consumer's responsibility. As such, there is the potential to harm consumers rather than providing benefits.

#### 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 New Hampshire consumers.

# Bill as Introduced

#### **HB 449 - AS INTRODUCED**

#### 2021 SESSION

21-0677 05/10

HOUSE BILL 449

AN ACT relative to the repair of home appliances.

SPONSORS: Rep. Luneau, Merr. 10

COMMITTEE: Commerce and Consumer Affairs

#### ANALYSIS

This bill requires home appliance manufacturers to make available to appliance owners and repair providers certain repair-related documentation, parts, and tools. The failure to do so would be a violation of the consumer protection act.

.....

Explanation: Matter added to current law appears in **bold italics**.

Matter removed from current law appears [in brackets and struckthrough.]

Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

#### STATE OF NEW HAMPSHIRE

#### In the Year of Our Lord Two Thousand Twenty One

AN ACT relative to the repair of home appliances.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Chapter; Repair of Home Appliances. Amend RSA by inserting after chapter 358-S the following new chapter:

CHAPTER 358-T

#### REPAIR OF HOME APPLIANCES

- 358-T:1 Short title. This chapter may be cited as the Home Appliance Fair Repair Act.
- 6 358-T:2 Definitions. In this chapter:

- I. "Authorized repair provider" means an individual or business who is unaffiliated with an original appliance manufacturer and who has an arrangement with the original appliance manufacturer grants to the individual or business a license to use a trade name, service mark, or other proprietary identifier for the purposes of offering the services of diagnosis, maintenance, or repair of a home appliance under the name of the original appliance manufacturer, or other arrangement with the original appliance manufacturer to offer such services on behalf of the original appliance manufacturer. An original appliance manufacturer who offers the services of diagnosis, maintenance, or repair of its own home appliances, and who does not have an arrangement described in this paragraph with an unaffiliated individual or business, shall be considered an authorized repair provider with respect to such appliances.
- II. "Home appliance" or "appliance" means any product sold for the purpose of assisting in household functions, such as cleaning, cooking or food preservation, and includes air conditioners, dishwashers, clothes washers and dryers, freezers, refrigerators, kitchen ovens and stoves, water heaters, washing machines, trash compactors, microwave ovens, vacuum cleaners, induction cookers, air purifiers, humidifiers and dehumidifiers.
- III. "Documentation" means any manual, diagram, report, service code description, schematic, or other guidance or information used in effecting the services of diagnosis, maintenance, or repair of home appliances.
- IV. "Embedded software" means any programmable instructions provided on firmware delivered with a home appliance, or with a part for such appliance, for purposes of appliance operation, including all relevant patches and fixes made by the manufacturer of such appliance or part for these purposes.

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V. "Fair and reasonable terms" for obtaining a part or tool or documentation means at costs and terms that are equivalent to the most favorable costs and terms under which an original appliance manufacturer offers the part, tool, or documentation to an authorized repair provider:

- (a) Including any license, right or authorization a person would need to use the equipment, part, tool, or documentation; and
- (b) Accounting for any discount, rebate, convenient means of delivery, means of enabling fully restored and updated functionality, rights of use, or other incentive or preference the original appliance manufacturer offers to an authorized repair provider or any additional cost, burden, or impediment the original equipment manufacturer imposes on an independent repair provider, or
- (c) Where there is no authorized repair provider and the original manufacturer has made an express warranty with respect to an appliance, and the appliance's wholesale price is \$100 or more, "fair and reasonable terms" means for a period of 10 years at an equitable price and convenience of delivery in light of:
- (1) The actual cost to the original appliance manufacturer to prepare and distribute the part, tool, or documentation, exclusive of any research and development costs incurred; and
- (2) The ability of owners and independent repair providers to afford the part, tool, or documentation; and
  - (3) The means by which the part, tool, or documentation is distributed.
- (d) For documentation, including any relevant updates, "fair and reasonable terms" means at no charge, except that, when the documentation is requested in physical printed form, a charge may be included for the reasonable actual costs of preparing and sending the copy.
- (e) For software tools, "fair and reasonable terms" includes at no charge and without requiring further authentication or Internet access in the course of diagnosis, maintenance, repair, or of enabling full functionality of home appliances.
- (f) "Fair and reasonable terms" also means not conditioned on an agreement with the original appliance manufacturer that has the effect of placing a substantial cost, restriction, burden, penalty, or impediment on the owner or independent repair provider, or that requires exclusivity.
- VI. "Firmware" means a software program or set of instructions programmed on a home appliance, or on a part for such appliance, to allow the appliance or part to communicate with other computer hardware.
- VII. "Independent repair provider" means an individual or business operating in this state, who does not have an arrangement described in paragraph I with an original appliance manufacturer, and who is not affiliated with any individual or business who has such an arrangement, and who is engaged in the services of diagnosis, maintenance, or repair of home appliances, except that an original appliance manufacturer or, with respect to that original appliance manufacturer, an individual or business who has such an arrangement with that original appliance manufacturer, or who is affiliated with an individual or business who has such an

## HB 449 - AS INTRODUCED - Page 3 -

- arrangement with that original appliance manufacturer, shall be considered an independent repair provider for purposes of those instances in which it engages in the services of diagnosis, maintenance, or repair of home appliances that are not manufactured by or sold under the name of that original appliance manufacturer.
- VIII. "Original appliance manufacturer" means a business engaged in the business of selling or leasing new home appliances manufactured by or on behalf of itself, to any individual or business.
- IX. "Owner" means an individual or business who owns or leases home appliances purchased or used in this state.
- X. "Part" means any replacement part, either new or used, made available by an original appliance manufacturer for purposes of effecting the services of maintenance or repair of home appliances manufactured or sold by the original appliance manufacturer.
- XI. "Tools" means any software programs, hardware implements, or other apparatus used for diagnosis, maintenance, or repair of home appliances, including software or other mechanisms that provision, program, or pair a new part, calibrate functionality, or perform any other function required to bring the product back to fully functional condition.
  - XII. "Trade secret" has the same meaning as in RSA 350-B:1, IV.
    - 358-T:3 Requirements.

- I. For home appliances, and parts for such appliances, sold or used in this state, an original appliance manufacturer shall make available, for purposes of diagnosis, maintenance, or repair of such appliances, to any independent repair provider, or to the owner of home appliances manufactured by or on behalf of, or sold by, the original appliance manufacturer, on fair and reasonable terms, documentation, parts, and tools, inclusive of any updates to information or embedded software. Nothing in this section requires an original appliance manufacturer to make available a part if the part is no longer available to the original appliance manufacturer.
- II. For home appliances that contain an electronic security lock or other security-related function, the original appliance manufacturer shall make available to the owner and to independent repair providers, on fair and reasonable terms, any special documentation, tools, and parts needed to reset the lock or function when disabled in the course of diagnosis, maintenance, or repair of the home appliance. Such documentation, tools, and parts may be made available through appropriate secure release systems.
- 358-T:4 Remedies; Enforcement by Attorney General. Any violation of the provisions of this chapter is an unfair or deceptive act or practice within the meaning of RSA 358-A:2. Any right, remedy, or power set forth in RSA 358-A, including the enforcement authority granted to the attorney general under RSA 358-A, may be used to enforce the provisions of this chapter.
- 358-T:5 Limitations.

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- I. Nothing in this chapter shall be construed to require an original appliance manufacturer to divulge a trade secret to an owner or an independent service provider except as necessary to provide documentation, parts, and tools on fair and reasonable terms.
- II. No provision in this chapter shall be construed to alter the terms of any arrangement described in RSA 358-T:2, I in force between an authorized repair provider and an original appliance manufacturer, including, but not limited to, the performance or provision of warranty or recall repair work by an authorized repair provider on behalf of an original appliance manufacturer pursuant to such arrangement, except that any provision in such terms that purports to waive, avoid, restrict, or limit the original appliance manufacturer's obligations to comply with this chapter shall be void and unenforceable.
- III. Nothing in this chapter shall be construed to require an original appliance manufacturer or an authorized repair provider to provide to an owner, or independent repair provider access to information, other than documentation and tools, that is provided by the original appliance manufacturer to an authorized repair provider pursuant to the terms of an arrangement described in RSA 358-T:2, I.
- 2 Applicability. RSA 358-T, as inserted by section 1 of this act, applies with respect to home appliances sold or in use on or after the effective date of this act.
- 3 Effective date. This act shall take effect on January 1, 2022.