

TESTIMONY

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ON BEHALF OF THE ASSOCIATION OF HOME APPLIANCE MANUFACTURERS

BEFORE THE RHODE ISLAND GENERAL ASSEMBLY HOUSE COMMITTEE ON CORPORATIONS

HEARING HB 5246 DIGITAL ELECTRONICS RIGHT TO REPAIR ACT

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Leadership > Knowledge > Innovation

Chair Solomon 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, HB 5246.

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 HB 5246 are overly broad. A basic reading of the definition of "Digital Electronic Equipment" 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.

HB 5246 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 HB 5246 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

HB 5246 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 Rhode Island consumers.