

State of Repair – the Global Battle for Owners Rights



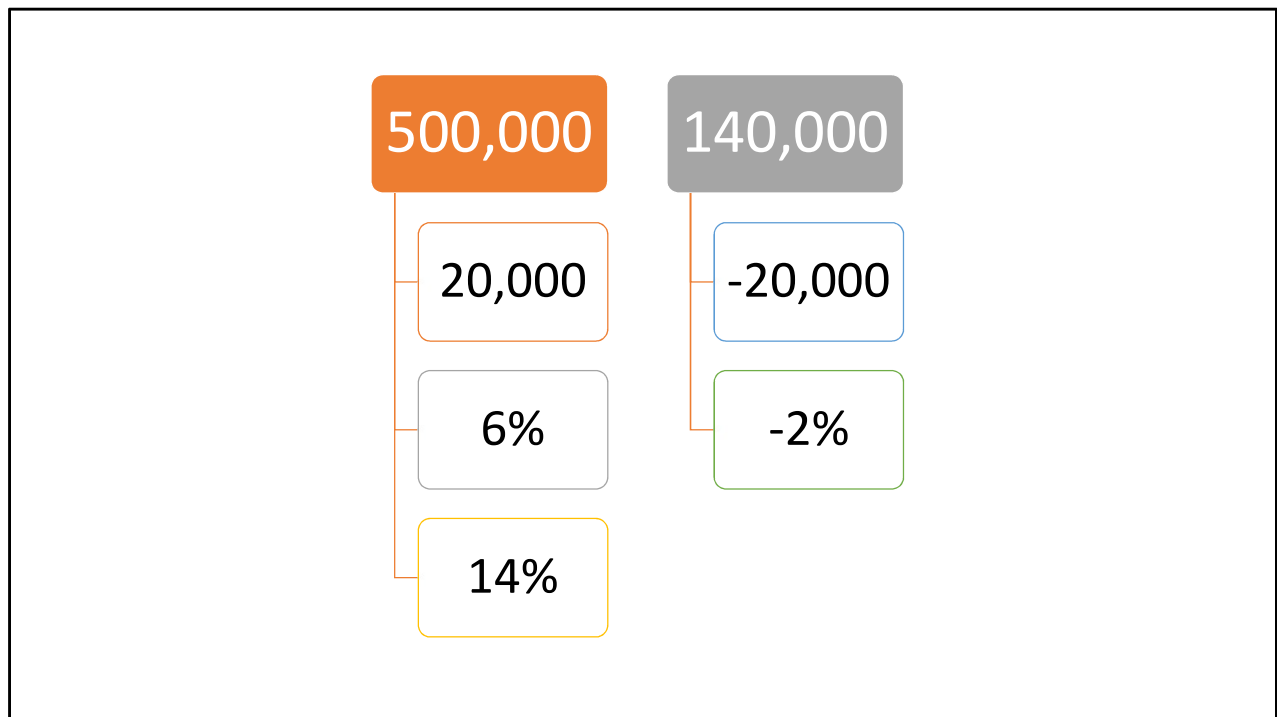


The Repair industry is facing an existential threat – much like the battle between the living and the dead in Game of Thrones. We're all on the side of the living, because we are in this room.

Everyone here has a stake in Right to Repair even if you don't operate a repair business. As consumers – we cannot fix our stuff – from cell phones and computers to appliances and even plumbing.

Limitations on repair have leaked into every industry. OEMS want to sell new equipment rather than help their customers keep their old items in use. It's a perfect storm for all OEMS to control repair – and they will do so until stopped by law.

We used to pivot around unfriendly OEMs – but that option is essentially gone. If anyone here wants organic growth –wants to offer repair options for more products rather than fewer – we must fight for our customers and their right to repair.



Some stats to provide context. There are roughly 500,000 auto repair techs in the nation. They take care of only one product category – cars. Maybe there are 325 million cars. In contrast – the EPA estimates that there are 3.4 Billion gadgets coming to end of life every year. That’s a 100X gap in product volume and growing by 6% per year.

Every year at CES – 20,000 new products are introduced all of which will need repair, so the opportunities are enormous for wholesale and retail repair providers.

Yet independent tech repair jobs, including computers, cameras, and cell phones are in steady decline. We’ve lost 20,000 jobs since we started DRTR, and the growth trend remains -2% negative. Just keeping up should be 8% positive job growth. Snap-On tools experienced 14% year over year organic growth following the passage of Auto R2R in 2012.

And What about the 3.4 billion pieces of electronic waste flowing into our solid waste systems? It takes only 1 person to pile up equipment in landfills, roughly 25 to process similar volume for recycling and 200 to repair.

SIA members interested in growth need Right to Repair to restore options.



As a former Board member, Wayne Moore, used to state, “If you aren’t at the Table, you are on the Menu.” The entire aftermarket for equipment repair, reuse, and resale has been highly entrepreneurial and not organized. The Digital Right to Repair Coalition is now the umbrella that is coordinating these previously unconnected interests.

We are now at the Table. We are now invited consistently to join in regulatory efforts, policy conferences, standards bodies and politicians to provide the aftermarket perspective. In a number of cases – we have turned OEMs into menu items – and we are winning small victories on a regular basis. Apple was forced to stop telling consumers they would void their warranties with independent repair. Motorola has thrown in with R2R and is now selling parts. Carrier TING is now promoting Right to Repair. Tractor OEMs have announced they will play nice – but not until 2021. It's our pressure that made these steps happen.

Each new set of inquiries exposes more and more dirty dealing by OEMs. They don't like our participation but the more they protest – the most media attention we get.

April 2010
SIA Summit
Las Vegas



The Brief History of Right to Repair began in 2010 at the SIA Executive Summit in Las Vegas in April. Oracle had just completed their purchase of Sun Microsystems and set out in March of 2010 to eliminate all third party repair, and kill the used market for older Sun servers.

SIA members were immediately stunned into action. We had a conference call with a trusted attorney who advised us that he could file for “Injunctive Relief” against Oracle for a paltry sum of \$2 million. That was a stunner and sparked forming an SI(A committee to investigate more practical options



WE sought the help of the US DOJ because they are the only body capable of fighting giant tech companies with unlimited money.

We met with the US DOJ in July of 2012. They understood the problem but gave us some really tough news – the DOJ isn't set up to pursue small monopolies (anything under 60% market share) and definitely isn't in a position to create policy. That is the job of legislation.

We were crushed, but then....



And Lo – a Miracle !! Automotive Right to Repair passed in Massachusetts at the end of July of 2012. We noticed immediately that had the bill stated “Computers” instead of “Automobiles” the fight would have been over.

We determined that our most practical path forward was to copy the auto industry and work on Right to Repair in states rather than in Congress.

SIA as an organization preferred to set up a separate association to provide advocacy. It took about half a year to get the details done, so we are officially incorporated as a non-profit member-driven trade association in July of 2013.

Our first bill was filed 6 months later in January of 2014 in South Dakota. It was a quick flop but invaluable experience. The following year we presented bills in Massachusetts, New York, Minnesota and Nebraska. We’ve done better each year – having increasing attention from leadership, passing committees, hammering through opposition in hearings, and amending and improving our templates over time.



Why States? Because there are 50 opportunities each year. There are fewer entrenched career politicians, and lower cost lobbyists. About a dozen states had already taken a poke at Auto R2R so the concept wasn't totally novel.

Right to Repair also fits very well with existing Consumer Protection laws in States. Lemon Laws are all done in States. 80% of repair is blocked by limitations controllable by States – only 20% lies with copyright, and that limitation is eroding quickly.



There are 20 states that filed Right to Repair legislation so far in 2019. Louisiana has already pre-filed a bill for their 2020 session. We've been having discussions with 14 additional states and the year is not over.

Right to Repair bills are over 80% popular with consumers. Here in the US – consumers have tremendous influence over which kinds of legislation are passed and when consumers get involved –we know we can pass bills.

We have over 30,000 consumer activists in New York alone. Nearly every state legislators in every part of the state has heard from at least 100 constituents. No other bills, outside of funding for education, get this type of support, When brought for a vote – active consumers will get the laws they want.

FIE – Founded 2014

Competition Mandates

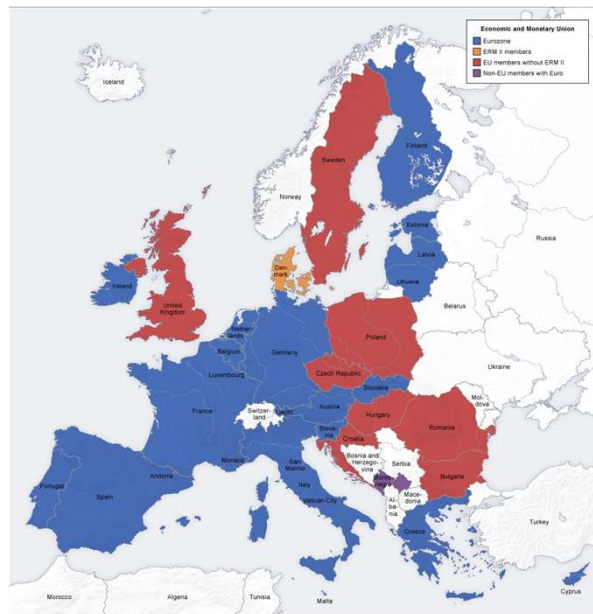
Regulatory Environment

Energy Focus

2019 Standards for Servers

Major Appliances

Lighting



Our counterparts in the EU are also fighting for Right to Repair but with a different toolset. EU regulators have enormous power, and politicians largely rubber-stamp the work of experts. FIE works closely within the Directorate structure and has also been very successful.

Our efforts are separate and complimentary. New rules in the EU related to repair make for difficult compliance issues for OEMS. For example – new regulations were just passed for home appliances limiting the use of glue for attaching parts. OEMS doing business in Europe might make two versions – one with glue and one without – but the logistical challenges might dictate production of one compliant version.

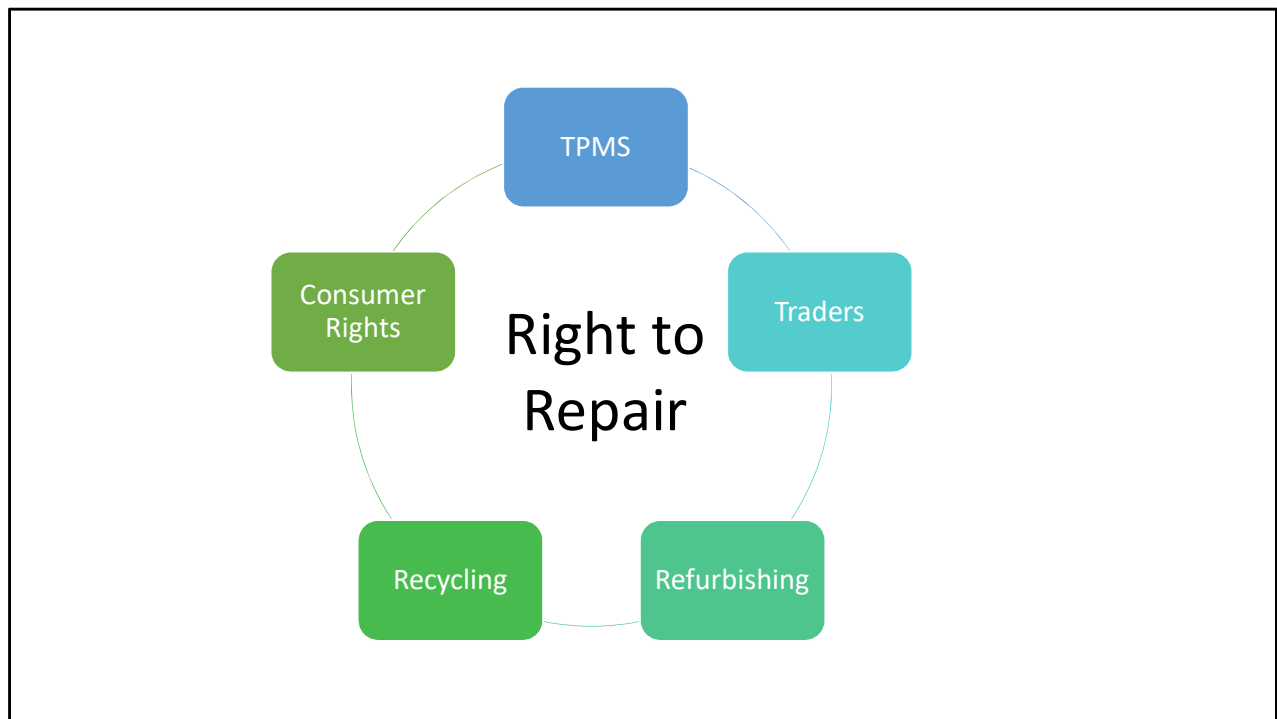
Similarly, if OEMS in the US are selling service parts and documentation on fair and reasonable terms in the US – it is very likely that buyers in the EU might source their repair needs in the US.



The bulk of the success we've had in Europe is directly the result of linking repair to Eco-Design and Energy Efficiency work. Eco design is a principle that equipment should be designed to be kept in use in order to maximize the environmental damage wrought not only by the electricity needed to power the device, but the environmental costs of building the device in the first place. Without repair – most electronics become unhealthy electronic waste at the moment of the first glitch.



Elsewhere – there are Right to Repair legislative initiatives underway in Canada, Australia and eventually, the Galaxy. We are called frequently from countries all over the world looking for help in starting their own legislation.



The R2R umbrella is mostly made up of TPMS/ ISPs, small CE repair shops, used equipment traders, for profit and non-profit refurbishers, for profit and non-profit recyclers, and large consumer and owners rights organizations such as Consumers Union and US PIRG. Roughly 80% of our funding comes from repair and reseller businesses and only a small percentage from individuals.

Our relationship with US PIRG has been transformational. They have 400 staff across 28 states that do state legislation. Their engagement offsets, but does not replace, having our own lobbyists. Our largest successes to date have been the result of strong member advocates, local US PIRG directors, and our own Lobbyist providing guidance and insider knowledge.

US Copyright Office

EPEAT – NSF – IEEE

INEMI

EPA

FTC



We do a lot more than just work in state legislatures. The above photo is of Kyle Wiens, our Board president and repair rock-star in his own right providing invited testimony to the US Copyright Office

We also have Board members participating with standards groups EPEAT, NSF, IEEE and INEMI. We were so disgusted with a proposed standard put together by IEEE that we collaborated with other members to kill the server recycling standard and being of zero value.

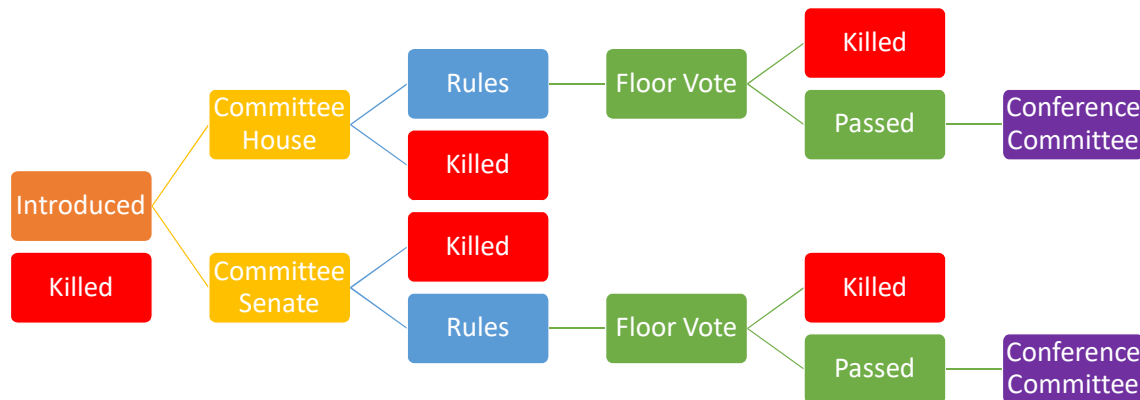
The EPA and FTC have both invited our participation in their various workshops and efforts. The latest is a new study launched by the FTC Called “Nixing the Fix” which is examining the way that OEMs are blocking legal rights to repair through illegal warranty and contract language.

Teamwork



Our job in States has evolved into one of creating and support local teams. The above photo is of a lobby day we did last May in New York. There are leaders in Education, Cell phone and consumer electronics Repair, Medical Repair, TPMs, Brokers, charities, refurbishers, board level repair experts and leaders of local Repair Clinics. We have similar groups with wide expertise set up in all our most targeted states. This is where we rely upon our members to be our expert voices within each legislature.

Legislative Process



Its easy to get bills introduced and extremely difficult to get them passed. Every red spot on this chart is a place to lose a bill - even when the bill is wildly popular.

For example – in our first session in NY – no sooner had the session begun when the Speaker of the House was arrested by the FBI. That threw the legislature into a tizzy until a new speaker was chosen. As soon as the dust had settled, the President of the Senate was also arrested by the FBI. Another tizzy ensued. Nothing, literally nothing, other than a mandated budget, was done that entire year.

All states have slightly different processes so this is just a diagram. Minnesota is currently (as of May 3) on the cusp of passing R2R in the House and sending the bill forward to a conference committee. That will be our largest victory to date even if the Senate manages to kill the bill in Conference.

However, legislators want to please their constituents and with 83% - 86% documented popularity with consumers, legislators are far more likely to say YES rather than NO.



We face all sorts of fabricated opposition – but the single most difficult objection for us to handle is that repair will somehow enable evil-doers more access to personal data and add to cyber risk. There is zero evidence that this is the case, but legislators lack the most basic understanding of cyber security so it's a hugely scary bogeyman.

Happily, we've been able to get some help recently from real cyber security experts that formed a small group called "Securerepairs.org" to help provide real information about how and where hackers are making mischief. Hint – its not repair !

Come Fight with Me



My request of you is to come fight with me. I've learned first hand that individuals are powerful – and can make a huge impact on legislation. Every bill filed has been the results of one personal contact. John Kamen knew his state senator in NY. Todd Bone knows a former SIA member now in the state legislature. Jen Larson of ASCDI knows her state senator and house rep. A high school kid got the attention of his state senator in Michigan to file a bill. One Person.

We face off every day against the biggest bullies in the world. If we don't fight, we won't have anyone to blame but ourselves for handing over our legal rights to repair out of laziness.