For access to equitable repair throughout canada ()

Responses to consultation on the right to repair in Canada

August 2024 Équiterre

Context

As part of the consultations on the right to repair in Canada, Équiterre has issued a variety of recommendations on the strength of its expertise in this area, with specific reference to household appliances and electronics (HAE).

This document presents the comments submitted online in response to the <u>Right to</u> <u>Repair Consultation</u>, which began on June 28 and will run until September 26, 2024.

Individuals and organizations wishing to take part may do so by completing the <u>online form</u>.

1. Right to Repair Approaches

A Canadian approach to repairability for home appliances and consumer electronics must take into account considerations from manufacturers, repairers, and consumers. Additionally, repairability is a shared responsibility in Canada given provincial and territorial responsibility for consumer protection legislation.

2) What are your views on a preferred approach to right to repair in Canada? Why? (1000 characters)

- The provincial consumer protection statutes can serve as a jumping-off point for the Canadian government to take action and help strengthen certain measures. It is also important to recall that not all of the provinces have right to repair measures on the books, and that the federal government can pave the way in certain areas.
 - Canada has certain legislative tools it can leverage, including implementation of a durability index and green taxation measures, to financially support the repair sector and Canadians who have access to repair services.

 By virtue of its jurisdiction over First Nations, and in view of Indigenous communities' lack of access to repair services, Ottawa could enact specific measures (e.g. funding) to ensure that repair services are present in these communities and thus ensure equitable access to repair for everyone living in Canada.

2. Home Appliances and Consumer Electronics

Home appliances and consumer electronics are comprised of a variety of different products, each with distinct considerations. A repairability policy may be more appropriate for a range of products.

3) In your view, which home appliances and consumer electronics should be in scope in a federal repairability policy? Why? (1000 characters)

- All home appliances and electronics should be in scope, along with personal vehicles (e.g. electric power-assisted bicycles and motorized personal mobility devices) and agricultural equipment.
- The items covered by such things as a durability index should be selected in accordance with various criteria, including: environmental footprint left by the manufacturing process; purchase volume of the item in Canada; frequency of use; rate of replacement; frequency of breakdowns and breakages; influence of new item purchase associated with psychological obsolescence; and acquisition cost.
- It is essential to adopt an approach geared to product category rather than taking price into account. This will dissuade merchants or manufacturers from setting the appliance prices in such a way as to get around their legal obligations and exclude less expensive products from this warranty.

3. Repairability, Interoperability and Durability

The repairability, interoperability and durability of home appliances or consumer electronics can be complicated and affects industry, repairers and consumers differently.

4) Whether you are primarily a manufacturer, repairer or consumer, what considerations do you have related to the repairability, interoperability and durability of home appliances or consumer electronics? (2 000 characters)

According to Équiterre's research and analyses^{1 and 2}, the following obstacles to repair need to be acted upon.

- The costs of repair for consumers (parts, diagnostic costs and labor).
- Unequal access to repair services, especially for Indigenous communities, rural regions and isolated territories.
- Lack of access to information for consumers to be able to incorporate durability and repairability into their purchasing decisions.
- Lack of access to parts, documentation and tools (software and equipment) for both consumers and any type of repair business. Introducing measures to provide them with this access would mean that consumers could freely choose from among repair options, including DIY repair.
- Decline in the number of repairers in Canada. According to Statistics Canada, between 2001 and 2021 the number of people working in the personal and household goods repair and maintenance sector was down 71%, versus a decline of 35% in the electronic and precision equipment repair and maintenance sector.³

¹ Équiterre (2022). <u>Working Towards Repairable Appliances and Electronics in Canada</u>

² Équiterre (2023). <u>Pour un droit à la réparation robuste et accessible partout au Québec</u>

³ Statistique Canada. <u>Employment by industry, monthly, unadjusted for seasonality</u> [8112 and 8114 categories]

• Intentional irreparability on the part of manufacturers (e.g. soldered/glued components, part pairing) makes repair very difficult if not impossible.

5) What further actions could the Government of Canada undertake to strengthen the repairability, interoperability and durability of home appliances or consumer electronics? (2 000 characters)

- Institute a mandatory durability index for certain product categories, patterned after France's index.
- In light of internal analyses taking account of potential impacts of various green taxation measures, introduce such measures for repair businesses and the Canadian public. Although the government is committed to introducing a tax credit to extend the life of household appliances with a view to covering the costs of repair, such a measure does not directly reduce repair costs, since reimbursement occurs after the product is repaired. This is also inconvenient for consumers, since they have to keep their proof of payment for as long as several months. The repair incentive of such a measure may be questionable, therefore. That is why Équiterre favours an analysis of green taxation measures that would help reduce repair costs at the time of repair, not after. Such measures include:
 - Creating a household appliance and electronics repair fund to reduce out-of-warranty repair costs. In France, a repair fund was put in place in the fall of 2022. This gives consumers an in-store discount on the cost of repairing an out-of-warranty appliance.⁴
 - A GST holiday for repair businesses.
- All of the measures put in place must be accompanied by sufficient controls to ensure compliance, hence the need to provide for funding for and regulation of independent, systematic control measures.
- Right to repair must be accompanied by the development and rollout of a strategy to raise public awareness about the issues surrounding the short lifespan of these products and the various right to repair measures put in place.

⁴ Ministère de l'Économie, des Finances et de la Souveraineté industrielle et numérique. <u>Bonus réparation : comment ça marche?</u>

4. A Right to Repair Policy Approach

A Canadian approach for home appliances and consumer electronics reparability would take into account considerations from manufacturers, repairers, and consumers.

6) What are your views on a preferred approach to further advancing repairability policy in Canada? Why? (500 characters)

- It is essential to consider the viewpoints of all the stakeholders, including consumer protection organizations, environmental groups and academics.
- It is also important to remain vigilant about the arguments advanced by certain manufacturers aimed at skirting the impacts of right to repair on their activities, because their strategies could limit access to repair.

Right to repair is a shared responsibility in Canada given provincial and territorial responsibility for consumer protection legislation. Policy measures focused on durability, repairability and interoperability will need to take into account multiple considerations, including but not limited to: safety, product design cycle, skilled labour, affordability, consumer preferences, and the uniqueness and diversity of home appliances and consumer electronics.

7) What considerations do you have in relation to a federal policy approach for Canada? (500 characters)

- Additional elements must be taken into account, namely: accessibility of repair services across Canada; setting up a network to facilitate access to replacement parts and freedom of choice for consumers when it comes to repair services.
- Implementing a durability index could potentially influence product design practices and encourage the purchase of durable, repairable products.

5. Comments and Suggestions

8) Are there any considerations that have been missed or elements that should be explored further when addressing this topic? (2 000 characters)

The Government of Canada should examine the possibility of inserting a right to repair definition in the legislation. It should be modeled after the definition developed by Équiterre in cooperation with CanRepair.

The right to repair guarantees that goods, be they rented or purchased, are repairable at a reasonable price and within a reasonable timeframe, and by the repair service of the consumer's choice.

Repairability:

- Availability and accessibility of parts, tools, software and documentation for a reasonable period of time after the product enters the market
- Access to generic or custom parts
- Prohibition on or regulation of intentional irrepairability
- Availability and accessibility of previous software versions and their security updates
- Interoperability

Reasonable price:

- Total repair price must not exceed a set percentage of the price for the new item (e.g. between 18 and 40% of this price, according to several studies^{5, 6 and 7})
- Proportional to the nature of the repair or the part replaced

⁵ Fachbach, Ines, Gernot Lechner, et Marc Reimann (2022). <u>Drivers of the consumers'</u> <u>intention to use repair services, repair networks and to self-repair</u>.

⁶ Joint Research Centre, J Sanfelix, M Cordella, et F Alfieri (2019). <u>Analysis and development</u> of a scoring system for repair and upgrade of products – Final report.

⁷ ADEME, Benoît Tinetti, Beatriz Berthoux, Arthur Robin, Nathan Setayesh, et Mathieu Hestin (2021). <u>Fonds réparation de la filière équipements électriques et électroniques</u>.

- Price for each individual part must not exceed a set percentage of the price of the new part (e.g. Club de la durabilité report⁸)
- Price for parts, tools, software and documentation must be the same for all stakeholders

Reasonable timeframe:

- Applies to the repair and the delivery of parts or tools
- Takes into account the nature of the good and the extent of the repair

Choice of repair service:

- Allows for DIY repair (as provided for in the French law⁹)
- Maintains the manufacturer's warranty if a repair is carried out by a third party (e.g. Magnuson-Moss legislation in the United States).
- Access to repair services across the country, including Indigenous communities, rural regions and isolated parts of the country.
- Option to choose how to procure replacement parts (used or new)

⁸ Le Club de la durabilité (2023). <u>Rendre la réparation accessible</u>.

⁹ Loi relative à la lutte contre le gaspillage et à l'économie circulaire (AGEC) (art. L. 441-5).