

Right to Repair and Agriculture

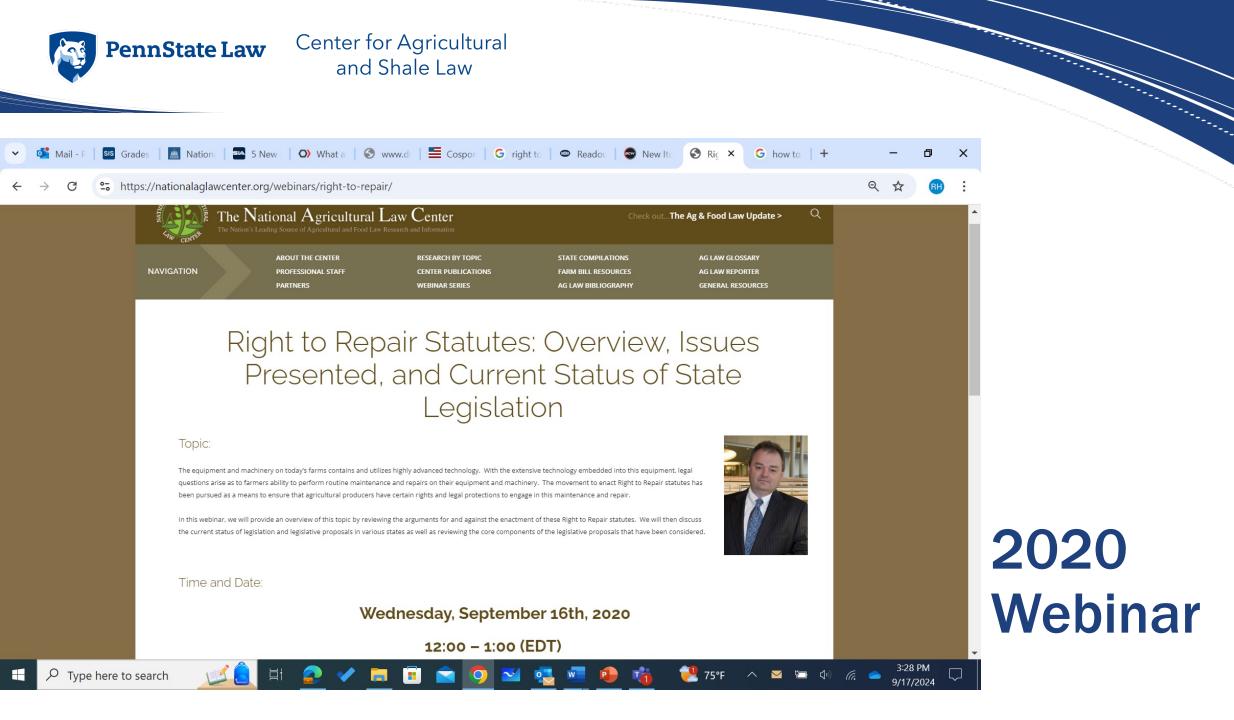
National Agricultural Law Center Webinar Series

September 18, 2024



Today's Webinar:

- Background of Right to Repair Issue
- State Right to Repair Legislation
- Legal Developments at Federal Level
- Memoranda of Understanding
- Litigation





What is Right to Repair?

and Shale Law

- Limit restrictions on the repair or maintenance of property
 - Allow owner to repair
 - Allow owner to choose who will repair
- Provide an affirmative duty upon manufacturer to provide materials to enable repair of property by its owner
 - Publish repair manuals
 - Sell parts, diagnostic software, and tools to enable repair
- Product construction and design enables repair



Where is Right to Repair sought?

- Automobiles
- Computers
- Smartphones
- Consumer electronics
- Farm equipment



Right to Repair in Automobile Industry

• Massachusetts enacts first RTR statute

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- Aug. 6, 2012 (H.4362) / Nov. 26, 2013 (H.3757)
- All manufacturers doing business in Massachusetts must comply with RTR requirements
- Establishes process for filing complaint where manufacturer fails to comply
- Violation is an unfair trade practice



Right to Repair in Automobile Industry

- For model year 2002, manufacturers shall make certain information and tools available for purchase by owners and independent repair facilities:
 - "diagnostic and repair information, including repair technical updates"
 - "all diagnostic repair tools"
- For model year 2018, manufacturers "shall provide access to their onboard diagnostic and repair information system . . . using an off-the-shelf personal computer"



Right to Repair in Automobile Industry

- Jan. 15, 2014 Agreement to impose Massachusetts standards throughout U.S.
- Parties agree to oppose any new state RTR legislation.
- Did not address end users.



MEMORANDUM of UNDERSTANDING

The Automotive Aftermarket Industry Association ("AAIA"), Coalition for Auto Repair Equality ("CARE"), Alliance of Automobile Manufacturers ("Alliance") and Association of Global Automakers ("Global Automakers") ("the Original Parties") enter into this Memorandum of Understanding (MOU) on this Fifteenth (15th) day of January, 2014 and voluntarily agree as follows:

1. The Original Parties fully support this MOU and attached "Right to Repair" (R2R) agreement ("R2R Agreement"). Automobile manufacturer members of the Alliance and Global Automakers indicate their individual company's agreement to comply with the MOU and R2R Agreement in all fifty (50) States and the District of Columbia through their individual letters of endorsement.



Right to Repair in Automobile Industry

AGA President – "A patchwork of 50 differing state bills, each with its own interpretations and compliance parameters, doesn't make sense. This agreement provides the uniform clarity our industry needs."



AUTO ALLIANCE GlobalAutomakers DRIVING INNOVATION®

Automotive Aftermarket

Industry Association



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Right to Repair in Automobile Industry

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- 2014 MOU administered by National Automotive Service Task Force (NASTF).
- MA Initiative 1 Nov. 3, 2020 would update Massachusetts law to include wireless technology and telematic information (onboard vehicle communications systems).
 - Approved by voters but implementation continues to be delayed due to litigation.



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Right to Repair – Enacted State Legislation

- Massachusetts (2012-13, 2020) automobiles
- New York (2022) consumer electronics

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- Colorado (2022, 2023, 2024) wheelchairs / agriculture / consumer electronics
- California (2023) electronics and small appliances
- Maine (2023 referendum) automobiles
- Minnesota (2023) consumer electronics
- Oregon (2024) consumer electronics



Maine Right to Repair Question 4 (2023)

- Addresses automobile repairs
- An Act Concerning Automotive Right to Repair (HP1200) enacted in 2024
- Ballot initiative received 84% of vote
 - Massachusetts 2012 Question 2 received 87.7%
 - Massachusetts 2020 Question 1 received 75.0%



Colorado Consumer Right to Repair Agricultural Equipment Act



Photo credit: Ted Gotwals | TPIN



Colorado Consumer Right to Repair Agricultural Equipment Act (H 1011)

 Full title – "Concerning a requirement that an agricultural equipment manufacturer facilitate the repair of its equipment by providing certain other persons with the resources needed to repair the manufacturer's agricultural equipment."



- Section 1 amends title of Colorado Revised Statutes 6-1-1501 from Consumer Wheelchair Repair Bill of Rights Act to Consumer Repair Bill of Rights Act.
- Section 2 Definitions defines scope of bill's coverage



- Definitions:
 - Agricultural equipment "equipment that is primarily designed for use in a farm or ranch operation."
 - Includes "tractor, trailer, combine, sprayer, tillage implement, baler, and other equipment used to plant, cultivate, or harvest agricultural products or to ranch;" and "attachment to and repair parts for equipment"



- Definitions:
 - Agricultural equipment does not include:
 - Self-propelled vehicles primarily for transportation of people;
 - Powersports vehicle;
 - Aircraft;
 - Equipment primarily used for irrigation



- Section 3 Obligations of equipment manufacturer:
 - "make available to an independent repair provider or owner of . . . Equipment"
 - under "fair and reasonable terms"
 - "any documentation, parts, . . . embedded software for agricultural equipment, firmware, tools, or, with owner authorization, data that are intended for use with the equipment. . "



- Section 3 Obligations of equipment manufacturer:
 - provide information or tools to "reset the lock or function when disabled in the course of providing services."



- Section 3 Obligations of equipment manufacturer:
 - Not required to divulge a trade secret or provide information that is a trade secret
 - Not responsible for faulty repairs
 - Not responsible for misuse of data by repair provider



- Section 4 Limitations:
 - Repair provider may not deactivate safety or emissions feature.
 - Equipment manufacturer cannot contract around requirements of Act.
 - Equipment manufacturer cannot avoid compliance with Act by entering into a national RTR Memorandum of Understanding.



- Section 5 Federal legislation:
 - This Act is repealed if federal right to repair legislation on agricultural equipment is enacted.
- Section 6 Effective date of January 1, 2024



Oregon Right to Repair Act (SB 1596)

- Signed by Gov. Kotek on Mar. 27, 2024.
- Becomes effective on Jan. 1, 2025.
- Specifically exempts "farm and utility tractors, farm implements and machinery. . ."
 - As well as electric toothbrushes, video game consoles, medical devices, etc.



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Pending State RTR Legislation

 According to National Conference of State Legislatures, thirty-three states considered Right to Repair legislation in 2023.



Pending State RTR Legislation Addressing Agriculture

- Alabama HB261
- Hawaii SB2700
- Illinois SB2669
- Indiana SB53 / HB1155
- Kentucky HB698
- Michigan HB4673

- Missouri HB2475
- Mississippi SB2005
- Rhode Island H7229
- Tennessee SB2035 / HB2029
- Utah SB269
- Vermont H81
- Washington HB1933 / SB6276
- Minnesota HF4800 / SF5318 West Virginia SB306 / HB4605



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Introduced Federal Legislation

- Agricultural Right to Repair Act (H.R. 5604)
 - Introduced on Sep. 22, 2023 by Rep. Gluesenkamp (D-WA)
 - Follows S. 3549 introduced by Sen. Tester (D-MT) in 2022
- REPAIR ACT (H.R. 906 / S. 3170)
 - Addresses automobiles
- Fair Repair Act (H.R. 8544 / S. 4422)



Introduced Federal Legislation

- Agricultural Right to Repair Act (H.R. 5604)
 - OEM must provide:
 - "any documentation, part, software, firmware, or tool intended for use in order to diagnose, maintain, or repair farm equipment" and
 - "farm equipment data generated by the farm equipment of the owner"



Federal Legislation

- Calls for federal legislation:
 - Mar. 24, 2023 letter from 28 state attorneys general to US House and Senate energy and commerce committee leadership
 - Alaska, Arizona, California, Connecticut, Delaware, District of Columbia, Guam, Hawaii, Idaho, Illinois, Indiana, Louisiana, Maine, Maryland, Michigan, Minnesota, Nevada, New Mexico, Northern Mariana Islands, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Washington, and Wisconsin
 - Focused on demands and needs of consumers
 - Specifically mentioned agricultural equipment



Federal Legislation

TECH

Apple lines up to support nationwide right-to-repair legislation

PUBLISHED TUE, OCT 24 2023-4:49 PM EDT



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In a short talk, Apple service VP Brian Naumann said that Apple makes parts, tools, and manuals available to independent repair stores in the U.S., highlighting the company's current policy under <u>its self-service repair program</u>.

"Apple also supports a uniform federal law that balances repairability with product integrity, data security, usability, and physical safety," Naumann said. Naumann outlined Apple's priorities on Tuesday:

"We believe that a uniform federal repair law should do the following: Maintain privacy, data and device security features which help to thwart theft; Ensure transparency for consumers about the type of parts used in a repair; Apply prospectively, to allow manufacturers to focus on building new products that can comply with the proposals; And finally, create a strong national standard that benefits consumers across the US and reduces the confusion created by potentially conflicting state approaches."



Federal Executive Branch Developments

THE WHITE HOUSE



JULY 09, 2021

Executive Order on Promoting Competition in the American Economy



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Executive Order on Promoting Competition

(h) To address persistent and recurrent practices that inhibit competition, the Chair of the FTC, in the Chair's discretion, is also encouraged to consider working with the rest of the Commission to exercise the FTC's statutory rulemaking authority, as appropriate and consistent with applicable law, in areas such as:

(i) unfair data collection and surveillance practices that may damage competition, consumer autonomy, and consumer privacy;

 (ii) unfair anticompetitive restrictions on third-party repair or selfrepair of items, such as the restrictions imposed by powerful manufacturers that prevent farmers from repairing their own equipment;



Federal Trade Commission Actions

- Report highlighted how restrictions on repairs harm consumers by increasing costs, limiting consumer choices, and contributing to electronic waste.
- Led Report with a discussion of Magnuson-Moss Warranty Act.

Nixing the Fix: An FTC Report to Congress on Repair Restrictions

May 2021



Federal Trade Commission Actions

- July 21, 2021 Adopted policy statement "aimed at manufacturers' practices that make it extremely difficult for purchasers to repair their products."
 - Acknowledged that "unlawful repair restrictions have generally not been an enforcement priority for the Commission for a number of years."
 - Voted unanimously to "ramp up enforcement against repair restrictions that prevent small businesses, workers, consumers, and even government entities from fixing their own products."



FTC Warns Companies to Stop Warranty Practices That Harm Consumers' Right to Repair

and Shale Law

Letters to eight companies warn about tying warranty to use of branded parts and affixing "warranty void if removed" stickers to their products

July 3, 2024 🛛 🛟 💥 🧰

The warning letters inform the companies of FTC staff's concerns that their practices violate the Magnuson-Moss Warranty Act (MMWA), a law that governs consumer product warranties and is enforced by the FTC.

"These warning letters put companies on notice that restricting consumers' right to repair violates the law," said Samuel Levine, Director of the FTC's Bureau of Consumer Protection. "The Commission will continue our efforts to protect consumers' right to repair and independent dealers' right to compete."



FTC Warns Companies to Stop Warranty Practices That Harm Consumers' Right to Repair

Letters to eight companies warn about tying warranty to use of branded parts and affixing "warranty void if removed" stickers to their products

July 3, 2024 🛛 😝 💥 🗓

The letters to five of the companies warn that FTC staff has concerns about the companies' statements that consumers must use specified parts or service providers to keep their warranties intact. Unless warrantors provide the parts or services for free or receive a waiver from the FTC, such statements are generally prohibited by the MMWA. Similarly, such statements may be deceptive under the FTC Act.

These letters were issued to air purifier sellers <u>aeris Health</u>, <u>Blueair</u>, <u>Medify Air</u>, and Oransi, along with treadmill company InMovement.



THE WHITE HOUSE



OCTOBER 25, 2023

Readout of the White House Convening on Right to Repair

BRIEFING ROOM > STATEMENTS AND RELEASES



White House Convening on Right to Repair

Since President Biden's Executive Order, the Administration and states have taken a number of actions to further the right to repair across industries, including:

- The Federal Trade Commission (FTC) voted <u>unanimously</u> to ramp up law enforcement of right to repair restrictions that prevent small businesses, workers, consumers from fixing their own products. Since then, they've announced settlements 7 in multiple right to repair cases.



White House Convening on Right to Repair

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- The EPA released a report > on how the improper disposal of lithiumion batteries, commonly found in cellphones and laptops, can cause dangerous fires in waste handling and recycling facilities. When batteries in consumer devices are easy to remove, consumers benefit from devices with a longer life, waste is reduced, and batteries can more easily be removed and recycled safely.
- The U.S. Copyright office > included expanded exemptions to the Digital Millennium Copyright Act that support more access to diagnosis, maintenance, and repair capabilities.
- Over 30 states have introduced right to repair legislation covering a broad range of sectors, with new laws passed in Colorado, Massachusetts, Minnesota, and New York in just the last three years.



Right to Repair in the European Union



SGS 24 / 000866

Brussels, 14/02/2024

Ms. Anna CAVAZZINI Chair, Committee on the Internal Market and Consumer Protection European Parliament Rue Wiertz 60, B-1047 Bruxelles Belgium Subject: Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on common rules promoting the repair of goods and amending Regulation (EU) 2017/2394, Directives (EU) 2019/771 and (EU) 2020/1828 [2023/0083 (COD)]



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Right to Repair in Agriculture

- Industry Initiatives
 - Association of Equipment Manufacturers (AEM) and Equipment Dealers Association (EDA) develop R2R Solutions – <u>www.R2RSolutions.org</u>
 - AEM and EDA developed Statement of Principles in 2018.
 - Will provide access to resources to end users, through authorized dealers, by Jan. 1, 2021



Memoranda of Understanding Background

- American Farm Bureau Federation
 - Jan. 21, 2020 National Convention
 - Delegates expressed support for Right to Repair
 - Preferred method of implementation is agreement with equipment manufacturers.
 - Legislation could be supported if agreement isn't reached.



- Jan. 8, 2023 American Farm Bureau Federation entered into MOU with Deere & Co.
 - Ensure that farmers have access to necessary tools "through a voluntary private sector commitment to outcomes rather than legislative or regulatory measures."
 - AFBF and Deere will meet at least semi-annually to assess
 - Either party may withdraw from MOU if they conclude it is no longer viable.



- Jan. 8, 2023 American Farm Bureau Federation entered into MOU with Deere & Co.
 - Deere agrees to provide farmers with tools, software, documentation, etc.
 - AFBF agrees to refrain from advocating for federal or state legislation "imposing obligations beyond the commitments in this MOU."



- Mar. 9, 2023 American Farm Bureau Federation entered into MOU with CNH Industrial Brands
- May 22, 2023 American Farm Bureau Federation entered into MOU with AGCO and Kubota
- June 14, 2023 American Farm Bureau Federation entered into MOU with CLAAS of America



- Issues Raised:
 - Scope of Coverage / Effectiveness
 - Is all relevant information included?
 - Enforceability
 - For failure to comply
 - Either party can withdraw



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Multidistrict Litigation – In re: Deere & Company Repair Services Antitrust Litigation

- Allegations:
 - "Through various anticompetitive practices, Deere has monopolized the market for repair and maintenance services for Deere agricultural equipment equipped with engine control units by restricting access to necessary repair-related software and diagnostic tools."
 - "deliberately designed its Tractors so that both the diagnosis and the completion of a repair frequently requires software tools and resources . . . that Deere keeps under tight lock."



Multidistrict Litigation – In re: Deere & Company Repair Services Antitrust Litigation

- June 1, 2022 U.S. Judicial Panel on Multidistrict Litigation entered order establishing U.S. District Court for the Northern District of Illinois as the district where all federal lawsuits shall be heard.
- Docket No. 3:22-cv-50188
- Cases transferred and consolidated from federal courts in Alabama, Illinois, Oklahoma, and Tennessee.



Multidistrict Litigation – In re: Deere & Company Repair Services Antitrust Litigation

- Nov. 27, 2023 Court denied Deere's Motion for Judgment on the Pleadings.
 - Ruled that Plaintiffs' allegations were "plausible" and "sufficient" to support their claims.



Moving Forward – Key Questions

- Will momentum for state legislation continue?
 - Expansion of states; expansion of products
- Will there be federal legislation?
 - Does continued expansion of state legislation create demand for action at federal level?
 - How will agricultural equipment be addressed in any federal legislation?
 - Separately or together with other RTR subjects?





Penn State Law

Lewis Katz Building University Park, Pennsylvania Center for Agricultural and Shale Law Ross Pifer, Director rpifer@psu.edu