





Right to repair

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Executive Summary

The Commission's push to establish a "right to repair" is welcomed. Nonetheless, AK believes that a number of essentiel points are either not or only partially addressed in the proposed directive:

General

- There is a strong link with other directives. Attention ought to be paid to consistency, particularly in any regulations established within the framework of the Ecodesign Regulation, in the Sale of Goods Directive and in the Directive on the Legal Protection of Designs.
- Both the cost of repairs as a whole and of spare parts are significant barriers to consumers making a decision to have items repaired. The proposal still needs to address these points. The Austrian "repair bonus" can be seen as an example of best practice. An incentive framework is suggested that would be financed by a levy imposed on manufacturers and where consumers would pay less for repairs.
- In order to lower the hurdles customers face, it is important for an electrical appliance to be supplied at no charge to replace temporarily what is being repaired. Independent repair shops ought to be exempted from such a requirement.
- There ought to be a level playing field so that independent repair shops are in a position to provide repair services. Therefore, drawings of how the products and spare parts are designed or information on how to repair them should be disclosed along with access to repair software and diagnostic tools. Consumers also need to have access to repair instructions at no charge for fixing the most common product defects.
- Labour market strategies are necessary to thwart an impending shortage of skilled labour and to make the relevant training programmes and repair occupations more attractive.

- There should be structural promotion of alternative consumption centres such as repair shops, trading posts, rental centres and second-hand stores.
- A positive narrative about repairing has to be more firmly established. Steps need to be taken that include structurally promoting bottom-up initiatives such as repair cafés and also in education, e.g. repair workshops in schools.

Draft Law

- Article 4: There should be clarification that the repair information form is free of charge to consumers so there is no doubt about it. The cost of creating the form ought to be offset against the fee paid when a repair contract is concluded.
- Article 5: Requiring manufacturers to repair an electrical device restricts them too much, both in the scope of the product groups and the required time to repair the appliance. Any required repairs should also cover product groups that have not been already addressed in the Ecodesign Regulation.
- Article 12: The current draft greatly reduces the freedom of consumers to choose between repair and replacement. Their rights should not be further restricted. A more targeted approach would be to enhance warranties for durable goods and mandate the reversal of the burden of proof for at least two more years.

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AK's position

Basic Positions

Both the repair of consumer goods and the durability of products are key to sustainable consumption. In principle, any push to promote repair would be welcomed. A positive view has been taken by us on a number of aspects, such as establishing an online platform. Yet because decisive points are missing in AK's opinion, no one can speak of a real right to repair for consumers. The main obstacles to repairs include high costs (both for the repair itself and spare parts), the difficulty in getting a product repaired, the unavailability of a replacement during repairs, uncertainty about how long an appliance would last after it has been repaired and whether the effort is really worthwhile. Unfortunately, the Commission's proposal fails to address these points adequately. AK believes that attention needs to be paid particularly to the following aspects.

Consistency with Other Directives

Ecodesign Regulation

The Commission's proposed "right to repair" largely depends on how the future Ecodesign Regulation is going to look. Product design is central when it comes to product durability and whether the product can be repaired. What should be especially mentioned in connection with repairs is the option of using standardised tools to open products up and disassemble them, access to repair information (not least to appropriate programs and software), availability of spare parts, standardisation of spare parts and modular design.

As a point of reference, a repair index can be pivotal to a sustainable purchasing decision. Therefore, it should be implemented as a horizontal measure covering as many product groups as possible, in particular electronic devices.

Sale of Goods Directive

The right to repair should not limit a consumer's right to choose, as Article 12 does now. Instead, sustainable consumption should be strengthened through a more sustainable European warranty law. The Sale of Goods Directive ought to be adapted to base statutory warranty periods on technically feasible minimum product

lifetimes. They should both reflect legitimate consumer expectations and ensure that durable products do not become prematurely obsolete. In addition, the presumption of defectiveness should be extended for at least two years.

Legal Protection of Designs

The Directive on the Legal Protection of Designs is another major element promoting affordable spare parts. A genuine liberalisation of the repair market is necessary, which would involve changing existing laws on intellectual property and other crucial areas of the law. Legal protection of products or product parts should be minimised so that spare parts for repairs can be offered at low cost and for the option of repairs to be more attractive.

In the reform of current EU design law, the establishment of a "repair clause" is essential for the introduction of an appropriate right to repair. As an exception to comprehensive design protection, the intention is to encourage reproduction of spare parts (especially in the automotive sector, such as the production of headlights, windshields and bumpers). Opening up this market gives consumers the option to choose between original spare parts – known to be more expensive – and reproduction parts.

Costs

Repair Costs

Repair costs play a major role in consumer decisions on whether or not to get a product repaired. Especially if the manufacturer repairs it (cf. Article 5 of the proposed directive) they should not be disproportionate to the purchase price of a product or new product. Surveys show consumers to be willing to pay 10-30% of the cost of a new appliance or device (depending on the product). A corresponding obligation of a cost ceiling should be provided in the directive.

Spare Parts

Prices of spare parts are often out of proportion to the price of the overall product and consumers cannot comprehend them. A cost cap, which would limit the percentage of the price of a spare part to the price

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of the total product, as an example, would have to be required for this reason. Standardising essential components would also lead to more compact availability of spare parts. This would be clearer for consumers and, on the supply side, also facilitate the stocking of spare parts. Notwithstanding, it should still be consistent with the Ecodesign Regulation.

Repair Bonus

The repair bonus scheme has been a great success in Austria, with 560,000 vouchers redeemed in the first year (each with a value of up to €200). Both consumers and repair service providers have benefited, which the Austrian Economic Chamber has likewise confirmed. However, the repair bonus will expire at the end of 2026 (or when the appropriated 130 million euros have been spent). In addition, it only applies to electronic devices. Therefore it is clear that the issue of who bears the costs has to be addressed.

- In principle, repair bonuses are welcome. Nevertheless, public funding ultimately leads companies to pass the costs on to the general public.
- A EU-wide permanent financing system for repairs is needed to boost the scheme and it needs to be extended to all consumer end products.
- Support for the repair of appliances in lieu of replacing them can be financed by expanding manufacturers' obligations according to the model used in France. That would put the onus on whoever designs the products and uses components to make the product durable.
- The level of support should be based on the Austrian repair bonus (50% of repair costs, not exceeding €200).

Duration and Replacement Devices

Unfortunately, repairs often take an unpredictably long time and there is no certainty afterward of the device ever working again properly. Buying a new, similar device is often more expedient. In order to make repairs more attractive, the information form also needs to include an estimate of how long a repair would take together with a mandatory free replacement for the duration of the repair. Nonetheless, independent repair service providers should be exempted from this requirement.

Repair Information and Spare Parts

Disclosing the blueprints of how products and spare parts are designed or information on how to repair them to independent and professional repair service providers should be guaranteed along with access to repair programs/software and diagnostic tools (e.g. via the digital product passport [DPP]).

Consumers should also have free access at no charge to instructions for repairing the most common defects found in a product, for example by having this information on the DPP. In addition, the DPP should make clear where spare parts are available and for how long. One way to make such repairs easier would be a dedicated website on which manufacturers have to indicate the availability of spare parts and how consumers can order them. This could be integrated into an online platform.

Labour Market

The initiative that has been presented would raise demand for repairs significantly. This calls for accompanying steps and strategies to ready the labour market for this increase, such as training programmes more strongly focused on repairs. Nonetheless, there is a risk that the desired boost in repairs will lead to an even greater shortage of skilled workers. In the worst case scenario, it would result in the "rebound effect" described below: Because if the demand for repair of devices exceeded the supply of people able to repair them, this would cause delays in the processing of repair orders. Then consumers will decide to buy a new appliance rather than wait a long time to have the old appliance repaired. Therefore, the potential for a social-ecological transformation would not be fully exploited. Active labour market policies need to be put in place to avoid this scenario alongside the necessary training of skilled workers for the labour market.

So the occupation of repair service provider has to be made attractive. This requires both raising awareness of the profession and innovative forms of work. Funds could be used to initiate co-working spaces that offer various alternative forms of consumption, such as integration in repair shops, second-hand stores, rental centres, and trading posts. Such places could become attractive public areas specifically targeting consumers to have items repaired, exchanged and/or borrowed.

Social Embedding

For a broad "right to repair" to be firmly established in people's consciousness, more comprehensiv approaches are essential. Overall, positive narratives about repairing have to be more clearly expressed among the public in order to raise awareness about the added environmental value of repairs.

These would include, as an example, workshops at higher levels of schooling where classes would repair

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everyday appliances together. Independent repairs, such as in repair cafés, contribute comprehensively toward empowering people and strengthening their skills. Existing engagement of civil society, not only in repair cafés but also in "maker spaces", together with other initiatives, should therefore be promoted more strongly. However, the proposed directive does not include such approaches. In the interest of participatory democracy and bearing in mind the need for social-environmental transformation, political strategies have to integrate bottom-up approaches more strongly. The proposal should definitely include appropriate funding.

Comments on specific articles

Art 4

In principle, AK considers it useful to include a repair information form, while emphasising that its usefulness depends on how it is specifically designed. In any case, it should be made clear that any uniform European repair information form should be provided free of charge, lest there be any doubt. In addition, the cost of creating the form should be offset against the fee paid when a contract is concluded.

Art 5

The Ecodesign Regulation sets out the manufacturer's obligation to repair a device only within a very limited framework, both in the scope of the product groups and the timeframe for the obliged repair. Accordingly, manufacturers of household washing machines and household washerdryers would be required to repair a defective appliance within ten years of the model's last unit having been placed on the market. It would be more transparent and expedient to have the period start at the date of purchase and to extend the period, possibly to 15 or 20 years. The availability of spare parts and the duration of the required repair should at least be mentioned in the DPP (to harmonise with the Ecodesign Regulation). Particularly for major household appliances, the law would have to prescribe a much longer availability of spare parts and, accordingly, a longer "repair obligation" in order to actually promote more sustainable use of goods.

Most importantly, however, the "right to repair" should also cover product groups that are currently not covered in the Ecodesign Regulation.

Art 12

Although the primary importance of repairs is understandable in the interest of sustainability, the proposed directive creates an additional asymmetry between companies and consumers. Until now, consumers have been able to choose between repair and replacement, but the present proposal would severely restrict their freedom of choice. Consumers regularly opt for

new goods precisely because they expect them to be functional and free from defects. Requiring consumers to opt for repairing appliances indiscriminately in such cases seems inappropriate. It would be more purposeful to take a different approach toward creating true sustainability when considering defective products. In particular, warranty periods for durable goods should be more enhanced, with the reversal of the burden of proof extended to at least two years.

Further literature

Regarding demands for design-connected repairs, you should refer to the position paper <u>Circular Economy Package: Making sustainable products the norm</u>, produced by AK.



Conatct us!

In Vienna:

Nina Tröger

T +43 (0) 1 501 65 12318 nina.troeger@akwien.at

Kirstin Grüblinger

T +43 (0) 1 501 65 13761 kirstin.grueblinger@akwien.at

Austrian Federal Chamber of Labour

Prinz-Eugen-Straße 20-22 1040 Wien, Österreich T +43 (0) 1 501 65-0

www.arbeiterkammer.at

In Brussels:

Florian Wukovitsch

T +32 (0) 2 230 62 54 florian.wukovitsch@akeuropa.eu

AK EUROPA

Permanent Representation of Austria to the EU Avenue de Cortenbergh 30 1040 Brussels, Belgium T +32 (0) 2 230 62 54

www.akeuropa.eu

About Us

The Austrian Federal Chamber of Labour (AK) is by law representing the interests of about 3.8 million employees and consumers in Austria. It acts for the interests of its members in fields of social-, educational-, economical-, and consumer issues both on the national and on the EU-level in Brussels. Furthermore, the Austrian Federal Chamber of Labour is a part of the Austrian social partnership. The Austrian Federal Chamber of Labour is registered at the EU Transparency Register under the number 23869471911-54.

The main objectives of the 1991 established AK EUROPA Office in Brussels are the representation of AK vis-à-vis the European Institutions and interest groups, the monitoring of EU policies and to transfer relevant Information from Brussels to Austria, as well as to lobby the in Austria developed expertise and positions of the Austrian Federal Chamber of Labour in Brussels