



MOTOROLA

February 22, 2010

The Honorable State Senator Thomas A. Colapietro, Co-Chair
Connecticut General Assembly
General Law Committee
Room 3500, Legislative Office Building
Hartford, CT 06106

RE: HB 5224 / Motorola Opposition

Dear Senator Colapietro:

I am writing to express Motorola's opposition to HB5224. HB5224, among other provisions, prohibits the wireless industry from providing a refurbished phone for phones replaced while under warranty. While it may appear that the intent of this provision is to protect consumers, the opposite would be the case.

This legislation would:

- Substantially impair service for consumers
- Create inconvenience and add costs for consumers
- Force manufacturers to restrict and limit warranties to consumers in Arizona

Although consumers typically purchase their mobile phones from service providers, the warranty is almost always administered by the manufacturer of the mobile phone. The effect is that the manufacturer is responsible for repairing the product. In one respect, the warranty claim process is the same in the mobile phone industry as in other industries: a customer makes the claim and receives a repaired product. However, in a second respect the mobile phone industry's procedures are different from most industries; consumers get a higher standard of service because their problem is addressed immediately, without the consumer needing to wait for the device to be repaired and returned.

Under the current procedure followed for mobile phones, there is a decision point when a phone is brought in under a warranty: should the (used) product be sent to the manufacturer for repair and then returned to the consumer, or should the consumer be provided with an immediate replacement unit that has been refurbished and put in "like new" condition. Because repair takes time – often up to a few weeks – the alternative of providing the consumer with a "like new" replacement product is far more desirable for most consumers. To be clear, the unit being supplied to the consumer is not somebody else's broken phone, but rather a like-new phone that has been tested to ensure that it meet's the manufacturer's initial quality standards.

When a phone is under warranty, a consumer is entitled to a repaired unit, not a new unit. The consumer either gets his or her own unit back (after the delay for repair) or may receive a "like new" unit from the carrier. There is no basis for asserting that the consumer is entitled to a "new" unit under our standard warranty (for example, when the phone is returned 6-8 months into the warranty period, the value of the phone has gone down from that of a new phone).

Since this legislation would prohibit the industry from providing a refurbished phone, this would mean that a customer would not get the convenience of getting a "like new" replacement phone IMMEDIATELY. Under this legislation, a customer would have to wait several days, if not longer, to get their phone repaired. Therefore, the effect of the proposed legislation would be to do away with the ability of service providers and manufacturers to provide consumers with an immediate remedy and, instead, compel a process whereby consumers must wait for their repaired phones to be returned.

Motorola offers a one year warranty on our phones which is an industry standard. If this legislation were to pass, it would force manufacturers to closely examine their warranty terms, and possibly reduce warranties.

Motorola respectfully asks that you oppose this legislation. If you have any questions, please do not hesitate to contact me at 847-576-7672.

Sincerely,



Darcy Davidsmeyer
Director
Global Government Affairs

cc: State Representative Jim Shapiro, Co-Chair