

March 26, 2024

Representative Jesse Sumner, Chair
House Labor and Commerce Committee
State Capitol, Room 421
Juneau, AK 99801

RE: HB233 Relating to rates and times allowances for required motor vehicle work.

Dear Chairman Sumner and members of the committee:

Hello, my name is Jerry Hedstrom and I have been a technician at Continental Honda/Acura for almost 23 years. I testified at the hearing on March 6th and tried to provide testimony on the differences between warranty time and retail labor time. Also, I tried to explain how difficult or impossible it is to obtain the warranty labor time a manufacturer will pay for each job we do. You also heard testimony however from the manufacturers that their times they allot is scientifically proven and carefully timed.

I would like to provide you with some examples of how the manufacturer will change and lower their own times, especially when there is a known problem or issue, thus making it impossible to obtain the allotted time no matter how many times we do that repair. I would also like to answer a question asked by Representative Saddler regarding how retail time is calculated.

Example #1: There is a warranty extension on 2016-2021 Civics for a known issue with the air conditioning(a/c) condenser leaking. They changed the warranty from 3 years 36,000 miles to 10 years unlimited miles. Per this warranty extension they will pay me 1.1 hours for replacing the condenser and evacuate and recharge the a/c system. If you look up the warranty time for doing the same repair on a vehicle in which the warranty extension does not apply it pays 1.9 hours. They lowered their own time 48 minutes. Retail labor rate for this repair is 2.1 hours.

Example #2: Warranty extension on 2016-2021 Civics for a known problem with the a/c compressor leaking from the front shaft seal. Warranty changed from 3/36 to 10 years unlimited miles. Normal repair in the past has been to replace the compressor. Now they require us to remove the compressor, disassemble the front part of the compressor and use special tools to replace the shaft seal. You then must reinstall the compressor and perform an evacuation and recharge. They pay me 2.1 hours to perform this repair. If I replace the compressor assembly without replacing the seal on a vehicle not under this extension, Honda will pay 2.1 hours. I don't get paid any extra time to replace the front shaft seal. Retail labor time is 4.5 hours.

Example #3: 2019-2022 Pilot and 2019-2023 Passports have a recall to replace connectors behind the gauge assembly, infotainment/audio unit, and tuner unit. The FAKRA style connector was not designed correctly and can lose contact causing numerous issues. After removing these 3 units, we replace the connectors and install additional cable to lengthen the harness. There are also 2 inline connectors that need to be replaced. I have lost count on how many vehicles we have performed this repair on. Per the

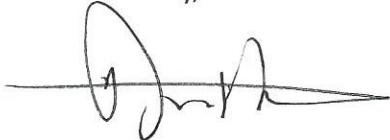
recall we are paid 1.7 hours. If you look up Honda's warranty time just to replace those 3 components it is 2.7 hours. That is a 1.0 hour difference.

Example #4: Honda has stopped paying diagnosis time for anything considered normal diagnosis (see attached explanation of warranty times by Honda). The time to replace the faulty part includes time for diagnosis. If a vehicle comes in the shop with a check engine light on for example and I pull a code p0497 Evaporative(evap) emission system low purge flow. I then must perform an evap function test with the diagnostic tablet which can take up to 15 minutes. It gives me 3 or 4 possible failed components. I then must test each component to figure out which one failed. I found that the purge control solenoid valve was faulty, so I replaced it. I then need to run the evap function test again to verify the repair. The multi-point inspection then must be completed. Warranty will pay me .2 hours (12 minutes) to perform all this work. This time is not reasonable or obtainable.

As you can see from these examples the manufacturer will adjust and lower their times as they see fit. The only way to prevent them from taking advantage of us as technicians is to have you pass this bill. The retail labor guides are used by independent shops, insurance companies and independent extended warranty companies. By making manufacturers pay according to these retail labor guides, it will provide an obtainable or realistic time for the repairs we do for them and prevent them from lowering the times to take advantage of the technician. Representative Saddler's question regarding how the retail labor times are acquired is a good question to ensure the retail labor times are also fair. The attached page from Autodata publications provides the best explanation for how retail labor times are acquired and why.

Passing bill HB233 will not only provide a fair labor time for warranty repairs performed by technicians but should also help with recruiting and keeping skilled technicians at the dealerships. In turn this will help customers receive a better level of service and repair as well as completing work on their vehicles in a timelier manner. We as technicians are only asking for fairness regarding how we are paid for performing warranty repairs.

Sincerely,



Jerry Hedstrom

CC: House Labor and Commerce Committee

Representative Justin Ruffridge

Representative Mike Prax

Representative Dan Saddler

Representative Stanley Wright

Representative Ashley Carrick

Representative Zack Fields