



RECENT MEETINGS:

At its September meeting, BDE discussed its year-end budget status. At the beginning of the fiscal year, BDE projected receiving revenues of approximately \$3,052,000; actual revenues received totalled \$3,072,000. The Board projected a reversion of \$96,000 (3%); the actual reversion was \$116,000 (4%).

FUTURE MEETINGS:

To be announced.

BUREAU OF ELECTRONIC AND APPLIANCE REPAIR

Chief: Jack Hayes
(916) 445-4751

The Bureau of Electronic and Appliance Repair (BEAR) was created by legislative act in 1963. It registers service dealers who repair major home appliances and electronic equipment. BEAR is authorized under Business and Professions Code section 9800 *et seq.*; BEAR's regulations are located in Chapter 27, Title 16 of the California Code of Regulations (CCR).

Grounds for denial or revocation of registration include false or misleading advertising, false promises likely to induce a customer to authorize repair, fraudulent or dishonest dealings, any willful departure from or disregard of accepted trade standards for good and workmanlike repair and negligent or incompetent repair. The Electronic and Appliance Repair Dealers Act also requires service dealers to provide an accurate written estimate for parts and labor, provide a claim receipt when accepting equipment for repair, return replaced parts, and furnish an itemized invoice describing all labor performed and parts installed.

The Bureau continually inspects service dealer locations to ensure compliance with the Electronic and Appliance Repair Dealers Registration Law and regulations. It also receives, investigates and resolves consumer complaints.

The Bureau is assisted by an Advisory Board comprised of two representatives of the appliance industry, two representatives of the electronic industry, and five public representatives, all appointed for four-year terms. Of the five public members, three are appointed by the Governor, one by the Speaker of the Assembly, and one by the Senate President pro Tempore.

MAJOR PROJECTS:

BEAR Holds Regulatory Hearing. On September 19, BEAR conducted a regu-

latory hearing on proposed modifications and additions to twelve sections of Chapter 27, Title of the CCR. (See CRLR Vol. 10, Nos. 2 & 3 (Spring/Summer 1990) pp. 87-88 for background information.) Following the hearing, BEAR adopted the rule changes and subsequently submitted the rulemaking record to the Office of Administrative Law (OAL) for approval. At this writing, BEAR is awaiting OAL's response.

The Bureau amended section 2702 to define the term "clamp-on line piercing valve," and section 2741 to regulate clamp-on piercing valve use. (See CRLR Vol. 10, No. 1 (Winter 1990) p. 67; Vol. 9, No. 4 (Fall 1989) p. 56; and Vol. 9, No. 3 (Summer 1989) p. 50 for background information.) Section 2702 was amended to define the term "range".

BEAR amended section 2710 to prohibit any person serving as an officer of a corporation at the time it is served with an accusation, placed on suspension, or has its registration revoked by BEAR from obtaining registration prior to the completion of disciplinary proceedings and/or discharge of penalties imposed by BEAR. Section 2717 was modified to prevent issuance of a BEAR registration to a person attempting to acquire the firm name and/or telephone number of a registered service dealer who has been served with an accusation.

Section 2713 was amended to define the term "place of business" to mean any location which (through advertising) accepts equipment or requests for repair or installation of equipment, or at which service contracts are offered for sale.

The Bureau amended section 2721 to require every receipt issued by a service dealer to include either the signature of the service dealer or the service dealer's employee or that employee's employee number. Section 2724 was amended to require service dealers to maintain a copy of all invoices for at least two years.

Section 2736 was amended to provide that where no guarantee is provided on a repair, the invoice must clearly disclose this fact; failure to disclaim a guarantee in this manner shall cause the service dealer to be deemed to have provided a 30-day labor and 90-day parts guarantee on the repair. Section 2751 was amended to provide that if the price of a service call is advertised, no additional charges shall be made unless done in accordance with a written estimate.

BEAR amended section 2765 to provide that a service dealer is not required to return to a customer parts which contain toxic materials. Finally, sections 2730 and 2754 were amended to correct

internal references to definitions with the chapter.

International Community Bans CFC Production and Use. Faced with escalating restrictions on chlorofluorocarbon (CFC) production and use in the refrigeration industry, BEAR is tracking the development of CFC recovery and recycling equipment, as well as alternative compounds being developed to replace CFCs, both of which may soon be required of BEAR-registered technicians. CFCs are the primary refrigerant compounds used in domestic and commercial refrigeration systems and air conditioners, and have been cited as a primary catalyst in the deterioration of the ozone layer. (See CRLR Vol. 10, Nos. 2 & 3 (Spring/Summer 1990) p. 88 for background information.)

In late June, responding to international concern over the depletion of the earth's ozone layer, delegates from 53 nations met in London and agreed to an international ban on CFC production and use. The delegates' actions, which must be formally ratified by their governments, were viewed as a major advance in the worldwide efforts to restore the ozone layer. U.S. Environmental Protection Agency chief William K. Reilly, who led the American delegation, called the agreement "a marvelous example of worldwide cooperation without any precedent on an environmental issue."

Through revisions of a 1987 treaty known as the Montreal Protocol (see CRLR Vol. 10, No. 1 (Winter 1990) p. 67 for background information), the delegates stipulated that CFCs will be replaced by a variety of other chemicals that could possibly have one-fiftieth to one-tenth the destructive effect to the ozone layer as is caused by CFCs. Under the terms of the agreement, CFCs will be totally phased out by industrialized nations by the year 2000.

Enforcement of these restrictions will increasingly expose the complex interplay between environmental protection and the economics of industrialized society. BEAR registrants affected by restrictions will be faced with the costs of purchasing CFC recovery and recycling equipment and/or making the transition to alternatives to CFC use. As a result, consumers will inevitably be faced with increased costs. There are also concerns that small business service dealers using minimal amounts of CFCs will not be able to distribute the costs of the new requirements. BEAR will continue to monitor new developments in this critical area.



REGULATORY AGENCY ACTION

LEGISLATION:

The following is a status update on bills reported in CRLR Vol. 10, Nos. 2 & 3 (Spring/Summer 1990) at page 88:

AB 3242 (Lancaster), as amended July 27, exempts a person registered as a service dealer under the Electronic and Appliance Repair Dealer Registration Law from the requirement of registration under the Automotive Repair Act. (See CRLR Vol. 10, No. 1 (Winter 1990) pp. 66-67 and Vol. 9, No. 4 (Fall 1989) p. 56 for background information on the BEAR/BAR dual licensure issue.) This bill was signed by the Governor on September 21 (Chapter 1207, Statutes of 1990).

AB 2226 (Epple). Existing law regulates consumer warranties and requires service contracts sold in lieu of, or in addition to, express warranties to meet specified requirements. As amended August 27, this bill adds to the provision applicable to these service contracts a requirement that the contract apply only to items, costs, or time periods not covered by express warranty, except as specified. This bill was signed by the Governor on September 21 (Chapter 1183, Statutes of 1990).

AB 2532 (Vasconcellos), as amended August 28, would have required any person who installs, replaces, or services commercial or industrial refrigeration systems to reuse or recycle the CFCs; and prohibited the intentional venting or disposing of CFCs by any person. This bill was vetoed by the Governor on September 29.

SB 2086 (Rosenthal), as amended August 13, would have required service contracts to contain, or have set forth in a related document, specified information relating to the total cost and terms of payment of the service contract, and the protection of the buyer from loss in the event of bankruptcy of the seller. This bill died in the Assembly Committee on Governmental Efficiency and Consumer Protection.

RECENT MEETINGS:

At the July 20 meeting of BEAR's Executive Committee, Assistant Chief Gordon Boranian reported that GTE's local telephone directory in San Bernardino County now contains the following statement: "California law requires registration of all persons who repair or maintain, or who hold themselves out as repairing or maintaining consumer electronic sets or major home appliances. If you have questions concerning a specific problem or require information regarding the law, you should contact the State Bureau of Electronic and Appliance Repair." The state-

ment appears at the beginning of each of the various headings where a consumer would find a business activity requiring BEAR registration. Similar statements will appear in other GTE yellow pages directories throughout 1991 as old directories are phased out.

The GTE statement is the latest development in BEAR's continuing efforts to secure yellow pages notices under appropriate subheadings. (See CRLR Vol. 10, No. 1 (Winter 1990) p. 68 for background information.) Pacific Bell has agreed to list BEAR in its "Smart Shopper" pages, but refuses to include a single-line reference to the consumer pages under each applicable subheading, citing the high costs of implementation. A PacBell representative was invited to attend future BEAR meetings to discuss the matter fully.

Also at the July 20 Executive Committee meeting, Mr. Boranian provided an update on toxic parts. At the request of the American Electronic Association, BEAR is providing assistance to major electronic equipment manufacturers in obtaining any available reports or studies which discuss toxic elements used in the manufacture of electronic component parts. BEAR staff contacted the state Department of Health Services, which was not aware of any reports concerning this issue. BEAR staff will continue its search for relevant reports or studies.

The Executive Committee also noted that efforts are currently being made by some in the service industry to apply the federal Magnuson-Moss Warranty Act disclosure provisions to service contracts. These provisions require full disclosure where products are sold with warranties. The issue of service contracts has persisted for some time at BEAR Advisory Board meetings. (See CRLR Vol. 10, Nos. 2 & 3 (Spring/Summer 1990) pp. 88-89 for background information.) Service contracts allow consumers to purchase extended warranty coverage for appliances and home electronic equipment, and are often sold by companies in the exclusive business of service contracts. Advisory Board President Fay Wood requested that BEAR staff obtain copies of all current legislation that would have an impact on service contracts and highlight issues which have been discussed by the Board.

At its August 17 meeting, BEAR's Advisory Board once again discussed the issue of service contracts. Specifically, BEAR inquired as to whether it could support SB 2086 (Rosenthal) in principle. (See *supra* LEGISLATION.) Dan Buntjer, Supervising Legal Counsel for the Department of Consumer Affairs (DCA), advised BEAR that section 9825

of the Business and Professions Code sets forth the authority of the Advisory Board. He further advised that the Board must work through the Bureau Chief, who in turn works through the DCA Director. The Board studies, advises, and makes recommendations to the Chief and Director. Based on this analysis, Mr. Buntjer concluded that it would be improper for BEAR to take an independent or unilateral position before a legislative body.

Also at its August meeting, Chief Hayes noted that a recent survey showed that approximately 20 telephone calls per month to BEAR from consumers relate to cellular telephone problems. Faulty installation appears to be a problem despite the general reduction in size of the cellular telephone. Mr. Hayes suggested that cellular telephone installation be regulated by the Bureau of Automotive Repair (BAR), since the installation requires integration with other electrical and electronic components of the vehicle. BEAR Program Manager George Busman agreed to contact BAR and provide an update at the next meeting.

Finally, it was announced at the August meeting that BEAR still needs three additional Advisory Board members to fill existing vacancies. (See CRLR Vol. 10, Nos. 2 & 3 (Spring/Summer 1990) p. 87 for background information.) Two of these vacancies are to be filled with public members, and one is an electronics industry position.

FUTURE MEETINGS:

To be announced.

BOARD OF FUNERAL DIRECTORS AND EMBALMERS

Executive Officer: James B. Allen
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The Board of Funeral Directors and Embalmers licenses funeral establishments and embalmers. It registers apprentice embalmers and approves funeral establishments for apprenticeship training. The Board annually accredits embalming schools and administers licensing examinations. The Board inspects the physical and sanitary conditions in funeral establishments, enforces price disclosure laws, and approves changes in business name or location. The Board also audits preneed funeral trust accounts maintained by its licensees, which is statutorily mandated prior to transfer or cancellation of a license. Finally, the Board investigates, mediates, and resolves consumer complaints.