

[Floor Situation](#) | [Summary](#) | [Background](#) | [Cost](#) | [Staff Contact](#)

## S. 1359, E-Warranty Act of 2015

### FLOOR SITUATION

On Tuesday, September 8, 2015, the House will consider [S. 1359](#), *the E-Warranty Act of 2015*, under suspension of the rules. S. 1359 was introduced on May 14, 2015 by Sen. Deb Fischer (R-NE) and passed the Senate by unanimous consent on July 9, 2015. The House Committee on Energy and Commerce ordered an identical bill (H.R. 3154) reported by voice vote on July 29, 2015.

### SUMMARY

S. 1359 modernizes warranty notice rules by allowing manufacturers to satisfy applicable warranty and labeling requirements by making such information available online.

The bill permits sellers to make written warranty terms available in an accessible digital format on the Internet website of the manufacturer of the consumer product and provide consumers information about how to obtain and review such terms. The bill specifies that either the product, its packaging, or its manual must include the manufacturer's website address and the phone number, postal mailing address, or another non-Internet based means of contacting the manufacturer to obtain and review such terms.

The bill also requires that, in cases where the terms of any written warranty must be disclosed to the consumer prior to the sale of the product at a retail location, by catalog, or through door-to-door sales, the option to provide such information online only applies if the seller makes such warranty terms available, through electronic or other means, to the consumer at the point of sale.

Finally, the bill requires the Federal Trade Commission (FTC) to revise relevant rules to comply with the bill's requirements within one year of its enactment.<sup>1</sup>

### BACKGROUND

The FTC "enforces rules governing the content and availability of product warranties."<sup>2</sup> There are no requirements that manufacturers provide warranties for their products; however, if they do, current

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<sup>1</sup> See Committee on Energy and Commerce [background memorandum](#) at 4 and 5.

law and federal rules “require sellers and warrantors to disclose specific terms and to make the terms available to consumers prior to sale.”<sup>3</sup>

However, the FTC has not updated its warranty disclosure rules to reflect changes in technology and modern methods of communication. S. 1359 modernizes these rules to allow posting of warranty information online while ensuring that consumers and prospective consumers may still obtain such information through alternative means.

According to sponsor of the House version of the bill, “Warranty requirements ensure consumers get important information when they purchase a product, but our federal warranty regulations were developed nearly forty years ago. The world has changed since then, and our ability to compete on a global stage depends on our laws keeping pace with innovation.”<sup>4</sup>

## **COST**

The Congressional Budget Office (CBO) [estimates](#) that implementing the rulemaking requirement in S. 1359 would not have a significant effect on discretionary costs. Enacting S. 1359 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

## **STAFF CONTACT**

For questions or further information please contact [Jerry White](#) with the House Republican Policy Committee by email or at 5-0190.

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<sup>2</sup> Senate Report [114-77](#) at 1.

<sup>3</sup> Id.

<sup>4</sup> See Press Release—“[Mullin, Loeb sack Bill Grants Flexibility to Manufacturers and Consumers](#),” July 23, 2015.