

Key Talking Points - Right to Repair

These talking points are a guideline. You can pick and choose those that resonate with you. Speak from the heart and describe your concern for your business, your employees, and consumers. Your job is to convince your MP that there is a significant problem here that won't solve itself without legislation in place.

- Canada's automotive aftermarket industry is a vital part of the Canadian economy. An over \$32B industry, the industry employs nearly 500,000 Canadians who are dedicated to providing quality parts and products as well as vehicle service and repairs to the country's fleet of almost 26 million vehicles.
- 2. AIA Canada's members are small and medium-sized businesses located in every riding across the country, including right here in our community.
- 3. Canada's automotive industry is more than manufacturing; the aftermarket should not be an afterthought. Any product or service that a vehicle may need after it is assembled by the Original Equipment Manufacturers is an aftermarket product or service. Simply put, there is no automotive industry without the aftermarket.
- 4. Vehicle technology continues to advance. As cars get more and more complicated, repairing and maintaining them becomes more and more complicated. For Canadian consumers and independent service and repair shops, the increased reliance on vehicle data has made it harder to make sure some vehicles are operating as efficiently as possible.
- 5. Vehicles have become computers on wheels:
 - a. The vast majority of new models transmit large amounts of data that is needed to effectively repair cars.
 - b. Traditionally, technicians have accessed diagnostic data by plugging a scan tool into the port of the vehicle's on-board diagnostics (OBD) the computer system that monitors and reports on the health of the vehicle.
 - c. The greatest challenge that we see now is the vehicle telematics systems that are now installed on new vehicles by auto manufacturers.
 - d. Telematics systems refer to the computer hardware that is embedded in a vehicle that collects, stores and processes data on the health of vehicle systems, including data needed for diagnostic and repair.
 - e. This data is transmitted directly from the vehicle to a backend server where it is under the ownership and control of the automaker.



- f. Consumers deserve control over that data. Without intervention, automakers will continue to control the terms through which independent auto shops access diagnostic data. Manufacturers should be required to provide access to this data to ensure consumers can choose where they get their vehicle repaired.
- 6. Voluntary agreement is not enough:
 - a. The Canadian Automotive Service Information Standard (CASIS) the current <u>voluntary</u> agreement between automakers and the aftermarket was not built for a wireless world. It worked well for traditional cars; however, OBD is no longer the only means for information extraction.
 - b. Furthermore, because notable auto manufacturers have refused to join the CASIS agreement, its effectiveness has been undermined.
 - c. For a truly open, fair and competitive Canadian automotive aftermarket to continue to exist, consumers need to be protected by <u>legislation</u> to reflect the new reality of vehicles in Canada and give the aftermarket direct, remote and real-time access to diagnostic data and the vehicle itself
- 7. Canadians Support Right to Repair Legislation:
 - **a. 94% agree** or strongly agree that consumers should have the ability to get their vehicles serviced at any repair or service shop they want.
 - **b. 83**% **agree** or strongly agree that automakers should be required <u>by law</u> to share data with independent auto shops so they can fix their car.
 - **c. 3-in-4** would be less likely to buy a new vehicle if it could only be repaired at a company dealership.

(Source: Abacus Data Survey with 2,000+ respondents, August 2021)

- 8. Enacting Right to Repair legislation will:
 - a. Preserve consumer choice
 - b. Maintain access to essential vehicle repair & maintenance
 - c. Support skilled trades workers and protect nearly 500,000 jobs
 - d. Ensure better environmental outcomes
 - e. Keep consumer costs lower
 - f. Allow for fair competition in the repair and service market



KEY ASK

Pass legislation that guarantees Canadians the right to repair their vehicle at the auto repair shop of their choice.

The voluntary CASIS agreement is not enough.

Canadians deserve the Right to Repair!



Key Questions and Answers

What happened to Bill C-231?

- <u>Bill C-231</u>, An Act to amend the Competition Act (vehicle repair), is a Private Member's Bill that was introduced in February 2022 by NDP MP Brian Masse.
- This Bill would amend the Competition Act to authorize the Competition Tribunal, if certain criteria are met, to make an order requiring a vehicle manufacturer to provide an independent vehicle repair provider with access to diagnostic and repair information as well as to service parts on the same terms and in the same manner as the manufacturer makes the information and parts available to repair providers who are specifically authorized by the manufacturer to service their vehicles.
- This is a good news Bill specific to the automotive sector which, if passed, would establish much-needed rights for vehicle owners across Canada.
- As MP Masse has had to turn his focus to another piece of legislation, Bill C-231 is currently awaiting another sponsor in order to move through the parliamentary process.
- In parallel, however, Bill C-244 another right to repair bill is progressing and is currently at second reading in the House of Commons. This is the avenue by which Government will be collecting feedback on the issue of right to repair.

What is Bill C-244?/Wouldn't Bill C-244 solve the problem?

- <u>Bill C-244</u>, An Act to amend the Copyright Act (diagnosis, maintenance and repair), is a Private Member's Bill that was introduced in February 2022 by Liberal MP Wilson Miao.
- This Bill would amend the *Copyright Act* and allow for those that diagnose, maintain, or repair a product with an embedded computer program to circumvent the technological protection measure of the product.
- The Bill is a good step in the right direction; however, it does not go far enough.
- With new vehicles collecting data through vehicle telematics systems and transmitting this data wirelessly from the vehicle to the manufacturers, we need to ensure any right to repair legislation eliminates manufacturers from circumventing the sharing of data through new digital locks, requiring further technology to access vehicle data and creating new barriers to independent repair shops from competitively servicing connected vehicles.



- The best way to achieve this is through parallel amendment to the Competition Act, which would address systemic issues around data ownership and allow our small and medium sized businesses to truly compete.
- We encourage the government to consider incorporating amendments to Bill C-244 to
 ensure that manufacturers are not able to circumvent the sharing of data, and further
 reinforce a manufacturer's requirement to allow access to diagnostic and repair
 information. AIA Canada would be happy to discuss these proposed amendments in
 greater detail should a Member of Parliament require any further information.

What are vehicle telematics systems?

- Traditionally, technicians have accessed diagnostic data by plugging a scan tool into the port of the vehicle's on-board diagnostics the computer system that monitors and reports on the health of the vehicle.
- The biggest challenge today are the *vehicle telematics systems* that are installed on new vehicles by auto manufacturers.
- Telematics systems refer to the computer hardware that is embedded in a vehicle that collects, stores and processes data on the health of vehicle systems, including data needed for diagnostic and repair. This data is transmitted directly from the vehicle to a backend server where it is under the ownership and control of the automaker.
- In 2018, 32 of 44 automakers installed telematics systems in their vehicle fleet. By 2030, it is estimated that all new vehicles will be equipped with telematics systems.
- The Problem: Telematics systems installed in vehicles by automakers will replace on-board diagnostics as the source of vehicle diagnostic data. Because automakers own the telematics systems through which diagnostic data is collected, stored, processed and wirelessly transmitted, they are the de facto owners of the data and control access to it. This means automakers have direct, real-time and remote access to diagnostic data, while the aftermarket has to access diagnostic data from automakers on automaker terms, including price, timing and scope.

Why do you need legislation? Isn't there a voluntary agreement in place/does it not solve the problem?

 No – it does not solve the problem. The Canadian Automotive Service Information Standard (CASIS) – the current voluntary agreement between automakers and the aftermarket – worked well for traditional cars. CASIS addresses competition issues



with vehicles that are equipped with on-board diagnostics (OBD-II). Specifically, it requires that automakers share service and repair information needed to service OBD-II equipped vehicles with independent auto shops and their authorized dealerships equally.

- However, CASIS was not built for a wireless world. It does NOT address vehicles with telematics systems, and we know that OBD-II is no longer the only means for information extraction.
- Furthermore, because notable auto manufacturers have refused to join the CASIS
 agreement, its effectiveness has been undermined. Voluntary agreements do not
 work.
- For a truly open, fair and competitive Canadian automotive aftermarket to continue to
 exist, consumers need to be protected by legislation to reflect the new reality of
 vehicles in Canada and give the aftermarket direct, remote and real-time access to
 diagnostic data and the vehicle itself.