



September 1, 2022

The Hon. François-Philippe Champagne
Minister of Innovation, Science and Industry
235 Queen Street
Ottawa, Ontario, K1A 0H5

Sent by email: ministerofisi-ministredeisi@ised-isde.gc.ca

RE: Response by the Minister of Innovation, Science and Industry regarding Canada's automotive aftermarket

Dear Minister Champagne,

I am writing to you on behalf of the nearly 500,000 Canadians who compose Canada's automotive aftermarket supply and service chain – an over \$32 billion industry in Canada. Our industry is an essential service which includes manufacturing of replacement parts, distribution networks and service and repair shops, and is responsible for keeping the country's fleet of almost 26 million vehicles on the road in safe condition.

On August 17th, 2022, you tabled a response to Petition e-4000, which called on the Government of Canada to protect Canadian vehicle owners by giving them access and control of the data generated from their own vehicle, and to move quickly to pass legislation which acknowledges the right of consumers to own their data so they can continue to repair their vehicle at the auto repair shop of their choosing.

While we were pleased to see an acknowledgement of the importance of the automotive aftermarket industry to the Canadian economy, and the need to support the competitiveness of the sector and its transition towards connectivity, automation and zero-emission technologies, we remain concerned that without legislation, automakers will continue to control the terms through which independent auto repair shops access data.

Access to this data is essential. Vehicles on our roads today are like computers on wheels. These are web-connected vehicles, collecting thousands of data points on the health of vehicle systems. This data is then transmitted wirelessly to automakers, allowing them to control all access to it, including which auto repair shops can obtain it and under what terms. We are seeing automakers like Mercedes Benz and Volkswagen increasingly making access to repair information and tools more difficult, lengthy and expensive.

Without access to this data, independent auto repair shops cannot service a vehicle, and leaves consumers without the right to repair their vehicle at the auto repair shop of their choice.

With respect to the Canadian Automotive Service Information Standard (CASIS), which you referenced in your response, this current voluntary agreement between automakers and the aftermarket worked well for traditional cars. This is because historically, technicians were able to access 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.

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However, CASIS was not built for a wireless world. Today, OBD is no longer the only means for information extraction, and notably, electric vehicles (EVs) are less likely to have OBD ports. Instead, new vehicles on Canada's roads now have vehicle telematics systems installed, which comprise the computer hardware that is embedded in a vehicle that collects, stores and processes data - 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.

Moreover, because notable auto manufacturers like Tesla have refused to join the agreement, its effectiveness has been undermined.

Consumers want the choice. In a recent survey commissioned by Abacus Data, 94% of Canadians agreed that consumers should have the ability to get their vehicles serviced at any repair or service shop they want. Further, 83% agreed that automakers should be required by law to share the data. And finally, 3-in-4 would be less likely to purchase, or would not purchase at all, a certain vehicle if it could only be serviced at a company dealership. This is particularly important for the government, who is focused on getting more zero emissions vehicles on Canada's roads. Independent automotive shops are critical to the successful deployment of EVs as they capture the largest share of the vehicle repair and maintenance market.

The aftermarket cannot be an afterthought. Adoption of EV's in Canada is contingent on supporting an ecosystem where these vehicles can be readily repaired and serviced. 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.

Lawmakers around the world have recognized the importance of *right to repair* legislation, which includes vehicles. Canada is well positioned to follow suit and ensure that we are aligned with other leading jurisdictions when it comes to consumer choice, as we adapt to increasingly connected vehicles on our roads that will need maintenance and repair services.

We look forward to continuing to work with you to advance right to repair principles through forthcoming legislative efforts, including the Digital Charter, updates to the Competition Act, and even stand-alone legislation put forward by Members of Parliament.

Finally, following your comments at the Milton/Halton Region Innovation Roundtable earlier this year, and as has been discussed with your office, we would welcome the opportunity to host you at one of our aftermarket repair shops to learn more about Canada's automotive aftermarket. Please feel free to have your office contact Alana Baker, AIA Canada's Senior Director of Government Relations at alana.baker@aiacanada.com or 613-299-4017 to discuss your availability.

Thank you again and we look forward to working with you and your government on this important matter.

Regards,

Jean-François Champagne
President

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