

Key ISSUES



Automotive Industries
Association of Canada

ADVOCACY

Access to Wireless Vehicle Data

What is it?

A connected vehicle transmits and receives wireless information, including repair and maintenance information (RMI). Up to this point, industry has had access to a vehicle's RMI through onboard diagnostics. However, on account of the connected vehicle, automakers are closing diagnostic ports or limiting their functionality. Therefore, small and medium sized independent auto shops' participation in the connected vehicle market is dependent on access to wireless information, which automakers seek to deny.

How it impacts you?

Independent auto repair shops will remain competitive in the older vehicle market. However, connected vehicles will eventually replace all vehicles in Canada's fleet. At that time, without access to wireless RMI, independent shops will be shut out of the market. With access to vehicle data consumers will have more choice on where to take their car, which will increase services and overall sales.

AIA Canada's Position

AIA Canada advocates to government that the Secure Vehicle Interface (SVI) is the best solution to maintain a competitive aftermarket industry. Regulating SVI, an inter-operable, standardized and open access platform across all makes and models, would give independent auto shops the same access to RMI as automaker authorized dealerships.



By 2022,
approximately
70% – 95% of new
vehicles in Canada
will be equipped
with wireless
technology.¹

¹ Deloitte. (2018). Connected and autonomous vehicles in Ontario: Implications for data access, ownership, privacy and security. Retrieved from <https://www2.deloitte.com/content/dam/Deloitte/ca/Documents/consulting/ca-EN-CVAV-Research-Final-Data-Privacy-Security-Report-20180425-AODA.PDF>.

Key ISSUES



Industry Workforce Development

What is it?

The aftermarket industry faces multiple workforce challenges largely related to technology, skills and recruitment. Cross-Canada research conducted by J.D. Power for AIA Canada identified “finding skilled labour, particularly technicians” as the number one challenge facing independent auto shops. The research also found that:

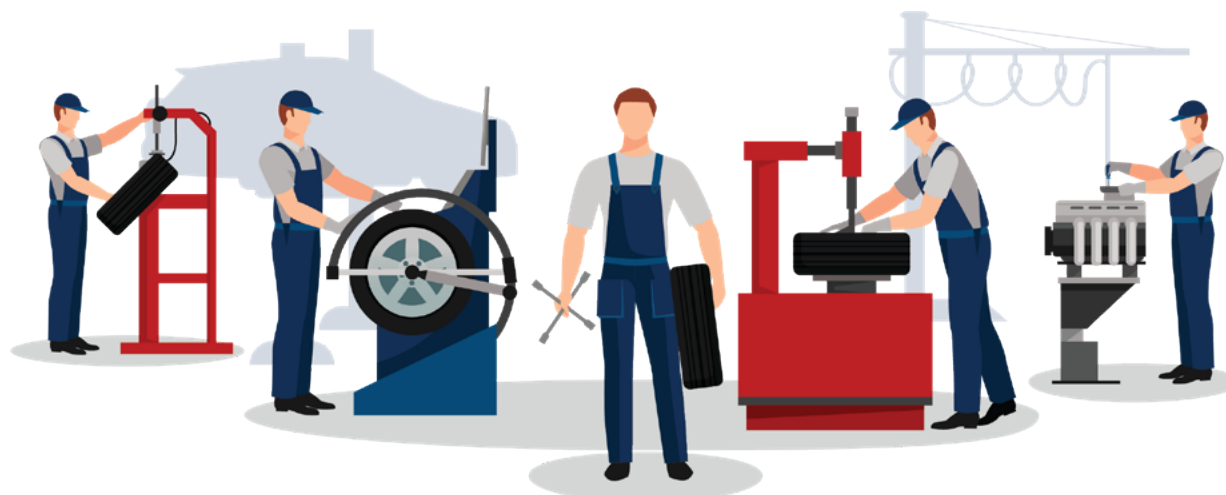
- Shops perceive incompetence among vehicle technicians.
- Shops struggle with a tight labour market because there are not enough technicians coming down the pipeline.
- Shops workforce challenges are exacerbated because new vehicles, including connected and electric, demand new skills.

How it impacts you?

Among other things, a reliable supply of skilled workers maximizes profitability, saves money and supports business growth and profitability. A workforce with the skills needed to service connected and zero emission vehicles will increasingly determine which jobs a shop can take on. As well, workers will require modern equipment, tools and software to do their jobs. To keep pace with technological change, employers will need to embrace lifelong learning schemes that replenish worker skills.

AIA Canada's Position

Overcoming workforce challenges requires greater collaboration between industry and government. AIA Canada stresses to the federal government that Canada's entire automotive industry requires workforce development support if it is to keep pace with changes in vehicle technology. Currently, support is largely directed to automakers and their tier one suppliers. Industry will require government financial support, and other resources, to deliver workforce training, invest in new capital assets, fund innovative and flexible training practices and strengthen recruitment efforts.



Cyber Security

What is it?

Lines of software code generate machine instructions; one line may generate one machine instruction or several. By 2030, connected vehicles will have an estimated **300 million lines of code**.² In comparison, a passenger aircraft has approximately **15 million lines of code** and a modern fighter jet about **25 million**.³ This volume of code creates ample opportunity for cyberattacks on a vehicle itself and the ecosystem connected to it.



How it impacts you?

Automakers advocate for automaker control of vehicles from production to junkyard. They argue that aftermarket access to connected vehicles increases the risk of cyber security threats. If adopted, automaker cyber security management practices have the potential to threaten the entire aftermarket supply chain. Practices could be used to deny independent auto shops access to wireless RMI and to place restrictions on replacement parts and supplies. Industry observation of cyber security regulations, practices, compliance and enforcement activities could come at a financial cost.

AIA Canada's Position

Cyber security cannot be used to justify automaker control of a vehicle from production to junkyard. The Secure Vehicle Interface (SVI) offers a safe and cyber secure solution to industry access to connected vehicles. Like the OBD connector, SVI creates a standardized system; meaning the aftermarket would not have to comply with multiple automaker systems.

² McKinsey Center for Future Mobility. June 2018. Ready For Inspection – The Automotive Aftermarket In 2030

³ Burkacky, O., & Deichmann, J., & Klein, B., & Pototzky, K., & Scherf, G. (March 2020). Cybersecurity in automotive: Mastering the challenge. McKinsey & Company.

Zero-Emission Vehicles

What is it?

The Government of Canada seeks to achieve a net-zero economy by 2050. As the second largest emitter of greenhouse gases in Canada, the transportation sector plays a big role in the achievement of that goal. The federal government has set the following targets for zero-emission vehicle (ZEV) market penetration: **10%** of light-duty vehicles sales per year by 2025, **30%** by 2030 and **100%** by 2040.⁴

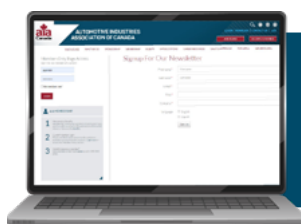


How it impacts you?

The entire industry supply chain will need to adapt if they are to remain competitive in the ZEV market. The workforce will require new skills, and workplaces and industry training facilities will require new equipment and tools. ZEVs require less maintenance, along with fewer parts and lubricants and oils. ZEVs also introduce new safety hazards onto the shop floor.

AIA Canada's Position

AIA Canada advocates to the federal government around ZEV market penetration and what is needed to support for the industry that will be responsible for their repair and maintenance. To prepare for more ZEV's on Canada's roads, industry, with government support, will need to invest in its workforce, including the apprenticeship training system and workplace training to equip the workforce with ZEV-related skills. It will also need to invest in potentially costly capital assets.



Stay up-to-date on what's happening in the automotive aftermarket by subscribing to our newsletter:
www.aiacanada.com/signup-for-our-newsletter.html

⁴ Natural Resources Canada. (Nov. 20, 2020). Zero emission vehicle infrastructure program. Government of Canada. Retrieved from <https://www.nrcan.gc.ca/energy-efficiency/energy-efficiency-transportation/zero-emission-vehicle-infrastructure-program/21876>.