



## **Canadian Automotive Service Information Standard** **Enhancing Consumer Choice**

### **Questions and Answers**

#### **1. Who has signed this agreement?**

The National Automotive Trades Association (NATA) on behalf of 5,000 individual automotive repair and service providers' facilities from across Canada.

The Association of International Automobile Manufacturers of Canada (AIAMC) on behalf of the international manufacturers, importers and distributors operating in Canada.

The Canadian Vehicle Manufacturers' Association (CVMA) on behalf of the North American manufacturers, importers and distributors operating in Canada.

AIAMC and CVMA members combined represent about 99.9% of all vehicles sold in Canada annually and all of their members have signed letters of commitment to CASIS.

#### **2. Why this agreement and why now?**

There was difficulty accessing service and repair information and tools from some manufacturers. The issue of access to service and repair information, training information and equipment by the automotive aftermarket has been around for a number of years.

The reality is many manufacturers and 3<sup>rd</sup> party providers were already voluntarily providing access without any agreement or legislation and there was no impetus for those companies that were not making the information available to do so. Most importantly, the *Competition Act* had historically prevented manufacturers from discussing competitive business programs as a means of addressing the situation. While Bill C-273 represented a flawed solution to this issue, that Legislation and Industry Minister Clement's request for the industry to develop a voluntary agreement were really the catalysts for us to do just that.

The important thing is that this voluntary agreement applies to all manufacturers and all service and repair providers and it will enhance consumer choice for vehicle service and repair in Canada.

#### **3. How will this agreement help Canadian consumers?**

The agreement ensures that any shop that wants to make the investment in service and repair information, training information, tooling and equipment information for any make of vehicle it may wish to service, will be able to do so. As a result, consumers will have broader availability of facilities – either authorized OEM dealerships or independent shops – in which to have their non-warranty vehicle service work conducted.



**4. Will Canadian consumers be able to go anywhere to have their vehicle serviced?**

Warranty related service work must continue to be conducted through an OEM authorized new vehicle dealer. However, if the repair is of a very general nature, consumers will have more choice in where their vehicles are serviced. Today, vehicles are so complex it is becoming more difficult to diagnosis and repair a vehicle, and a service facility will need to have the proper information, equipment, training, etc. to service and repair a particular make of vehicle. The important thing is that independent service and repair shops now have access to that information and can purchase it depending on their business needs, similar to OEMs authorized dealers and those independent shops operating in the U.S.

**5. How do the dealers feel about this agreement?**

We encourage you to contact the Canadian Automobile Dealers Association directly for their views, but the CADA is on record as supporting a voluntary solution such as we have developed under CASIS and opposed to any legislated solution.

**6. How soon will the service and repair information be available to the aftermarket?**

CASIS stipulates that the information will be made available from all manufacturers, importers and distributors no later than May 2010. This timeframe is necessary to allow for the development of the technical information for the Canadian market and other Canadian legal and business considerations.

On an ongoing basis, the service and repair information that has been agreed to be shared under CASIS will be available to the aftermarket at the same time that it is made available by the manufacturers to their respective dealer bodies.

**7. How much will manufacturers charge independent service and repair facilities for the information?**

CASIS contains provisions around the factors that will be considered as part of “commercially reasonable” pricing. For *Competition Act* reasons, CASIS cannot address specific pricing levels and as such, these will vary from manufacturer-to-manufacturer and will depend on the specific information being requested by the independent service and repair shops. It is expected that pricing for information provided under CASIS will not be appreciably different than what is charged to OEMs authorized dealers.

**8. Is CASIS involvement a requirement for auto manufacturers or is legislation necessary?**

The key here is that this is a voluntary process that affords the parties the opportunity to address issues and concerns as they arise in a straightforward, fast, efficient and cost-effective manner. We do not see the need for any legislative backstop. Moreover, many manufacturers are not



prepared to manage this issue on a voluntary basis, through CASIS, and through an overriding legislative framework. This approach would only add unnecessary cost and complexity.

Automotive OEMs representing over 99.9% of all vehicle sales in Canada have voluntarily committed to this agreement in good faith and intend on remaining compliant with CASIS. While OEMs have the right to opt out should unforeseen circumstances cause them to decide to do so, the likelihood of any company pulling out of the agreement is negligible given that the auto OEMs will have spent months developing and implementing this voluntary agreement. Previous experience with similar voluntary agreements has shown that the OEMs who have signed on to the terms and conditions of the voluntary agreement have remained compliant participants.

With respect to any potential new entrants into the Canadian vehicle market, and similar to all existing market participants, these OEMs would be joining one of the vehicle manufacturers' associations which would compel the company to adopt the provisions of CASIS.

**9. Some claim that there are deficiencies with a voluntary agreement and that legislation is still required.**

NATA's membership consists of over 5,000 independent service and repair shops from across Canada. Their input and direction was critical to the development of CASIS and the business interests of the 5,000 independent shops are typical of all shops regardless of their association or affiliation. We are confident that the issues related to the provision of repair and service information, training information and equipment provision have been sufficiently covered by CASIS and that Canadian consumers will gain enhanced choice in automotive service and repair as a result.

**10. Is legislation still required?**

No. CASIS is superior to legislation because it meets the needs of industry, government and Canadian consumers. Similar to the complementary voluntary solution in the U.S., we are confident that CASIS will gain broad support of the automotive aftermarket service and repair industry, as well as legislators, and that they will find the current proposed legislation, Bill C-273 is unnecessary.

Canada's auto industry has a long and successful history of developing and signing voluntary agreements with all levels of government as well as others in the private sector on a variety of issues including several safety and environmental standards that have preceded or taken the place of legislation.

One of the great benefits of a voluntary process is that it is quickly adaptable to changing realities in technology and market circumstances when necessary and we can address outstanding issues in a cooperative, collaborative fashion.