



NATA To Aftermarket Auto Industry: Be Careful What You Ask For

BURNABY, BC - MAY 14, 2009 - The National Automotive Trades Association (NATA), which was founded in 1947 and represents some 5,000 dues-paying grass roots independent automotive service and repair businesses from coast to coast, is working with Canadian automobile manufacturers on a voluntary agreement to address the technical information access issue commonly referred to as "Right to repair." NATA is concerned that too many in the automotive aftermarket industry are relying solely on the legislative approach as the answer to the problem.



In the past, NATA has publicly stated that in the absence of a voluntary agreement it would participate in the legislative process. However, NATA prefers the voluntary approach for a number of reasons. Canadian auto manufacturers have now made a commitment to NATA, to the government and to each other to reach a voluntary agreement no later than September 30, 2009. In fact, several meetings to work on the agreement have already take place and significant progress has been made.



NATA spokesperson Rene Young said, "The voluntary agreement we envision will be a partnership based on mutual trust and respect between all stakeholders. It will also have the flexibility to evolve over time so that it can address unforeseen changes in technology or any other industry or consumer issues that may arise. The same cannot be said for legislation."



Private Member's Bill C-273 ("Right to Repair") was voted on in the House of Commons on May 13th and received an overwhelming 247-18 result in favour of sending the bill to the Standing Committee on Industry, Science and Technology. The Committee will review the bill and hear from industry experts in an attempt to refine it before returning it to the House for another reading and vote. This is expected to take place later this year. If it survives that stage, it still has to be passed by the Senate and eventually receive Royal Assent before becoming law.



"Then what?" propounds Dale Finch, NATA's Executive Vice President. "The auto manufacturers could elect to challenge it in the courts, tying up information access for years and costing unimaginable amounts of money in legal bills. I know our association does not have deep enough pockets to get involved in that sort of thing and I'm not sure supporters of the legislative movement have considered that possibility."



Finch explains that with NATA and the auto manufacturers well on their way toward reaching a voluntary agreement, legislation may soon be no longer necessary.



"We've already had several meetings and more are scheduled in the coming weeks. We're not very far apart on the terms of an agreement now, so I am confident we will have it done by the September 30th date specified in the letter of intent signed a few weeks ago. In fact," Finch says, "this will likely be in place well before Bill C-273 clears all its hurdles."

"I'll give you another 'what if' scenario to consider," says Young. "The Bill still has a long road ahead. What if it doesn't make it all the way to becoming law? I think its supporters will thank us for staying the course and securing a voluntary agreement. Besides, why can't a voluntary agreement be successful as a stand-alone solution? Why does it have to have legislation as a backstop? Many of the supporters of the legislative approach don't believe it can because there's nothing to force the manufacturers to comply, but I think that's just paranoia."

Finch says that one of the biggest hurdles in getting to the table with the OEMs has been their concern about exposing their intellectual property rights to competitors in the replacement parts industry. “But that has been overcome now that they are negotiating directly with the association that represents just the grass roots repairers and not companies who manufacture and distribute knock-off parts,” explains Finch. “We just want to fix cars, and we want to partner with the auto manufacturers in keeping consumers happy with their products by giving them plenty of choices for service and repairs. We’re also their best wholesale parts customers. The OEMs are committed to making this happen, and I see no reason to mistrust them.”

NATA understands that conflicting information recently surfacing in the media may be confusing to some independent auto business owners and employees. Many may have thrown their support behind the legislative approach simply because it is the only option they know about.

“The folks behind the legislative movement have made the most noise,” says Young. “We elected to not fight our battle in the media. Besides, these negotiations are often sensitive in nature, and confidentiality is an important part of the process. It comes back to that trust factor. We have established a positive relationship with the OEMs and because of that we have achieved a lot in a very short time. We are of the opinion that this approach is much preferable to placing our fate in the hands of litigators.”

About NATA

The National Automotive Trades Association (NATA) is an “Association of associations,” formed in 1947 to provide a unified voice for the Canadian automotive industry.

The NATA affiliate associations are:

- Automotive Retailers Association of British Columbia (ARA)
- Automotive Service and Repair Association of Alberta (ASRA)
- Saskatchewan Association of Automotive Repairers (SAAR)
- Automotive Trades Association of Manitoba (ATA)
- Hamilton district Autobody Repair Association (HARA)
- Automotive Aftermarket Retailers of Ontario (AARO)
- Collision Repair Association of Nova Scotia (CRANS)
- Automotive Recyclers of Canada (ARC)

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