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# Standing Committee on Industry and Technology

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Chair: Mr. Joël Lightbound





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• (1100)

[*English*]

**The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)):** I call this meeting to order. Good morning, everyone.

Welcome to meeting number 42 of the House of Commons Standing Committee on Industry and Technology.

[*Translation*]

Pursuant to the order of reference adopted by the House on Wednesday, October 5, Bill C-244, An Act to amend the Copyright Act (diagnosis, maintenance and repair).

Today's meeting is taking place in a hybrid format, pursuant to the House Order of Thursday, June 23.

We will now begin the opening remarks with Wilson Miao.

Without further ado, dear colleague, you have the floor. You have five to 10 minutes to tell us about your bill.

[*English*]

**Mr. Wilson Miao (Richmond Centre, Lib.):** Thank you, Mr. Chair.

Thank you to all the members of the INDU committee for allowing me to appear today to speak on my private member's bill, Bill C-244, an act to amend the Copyright Act for the purpose of diagnosis, maintenance and repair.

It would be my honour to see this bill passed unanimously in the House. I would like to take a moment to thank everyone who supported this bill and allowed it to be discussed and studied here today in the standing committee.

This bill was previously tabled in the last Parliament by the member from Cambridge, who is now the parliamentary secretary to the Minister of National Defence. I'd like to also take this opportunity to thank him for his work.

It's important to recognize the significance of this bill and understand the potential for it to benefit all consumers across Canada. I cannot stress enough the impact this bill will have for Canadians, consumers and our environment.

The Copyright Act as it stands today is being interpreted in areas beyond its scope. Bill C-244 addresses the concerns that are becoming more frequent in today's world. We are seeing more digital products integrated into our daily lives and relied upon for everyday services. At the same time, the actual lifespan of electronics

has been reduced dramatically with planned obsolescence, leading to more cost for consumers and more burden to our environment.

Copyright exists to protect the intellectual property and the original work of its creator, not to prevent the right to repair even when nothing is being copied or distributed. The current Copyright Act contains certain clauses that make it either impossible or extremely difficult for anyone to legally repair a product, or else these clauses prevent any repairs from happening at all. As a result, Canadians are not able to seek repair alternatives and face the dilemma of throwing out their new purchase because of a small malfunction or minor damage to a product.

As technology is becoming more sophisticated, technological protection measures, or TPMs, usually in the form of a technical restriction, are built in as a barrier to prevent access to the original work. TPMs may be a digital lock, an encryption or even a custom screw. These can be found in many products, such as heavy machinery from tractors to electric scooters and everyday devices from mobile phones to health devices that save human lives. These are just a few examples of the many products that have a TPM incorporated.

There are certain exemptions, such as the Canadian Automotive Service Information Standard, which is a voluntary agreement reached in 2009 in the automotive industry that ensures that automakers and aftermarket providers provide access to service and repair information to repair facilities across Canada.

Any circumvention of a TPM is prohibited and would be considered illegal. This bill ensures that any circumvention for the sole purpose of diagnosing, maintaining and repairing a product will not violate the Copyright Act.

In order to address the limitations of the Copyright Act in Canada now, Bill C-244 would change the definition of a technological protection measure by applying it to the software and computer programs within the product, allowing consumers to circumvent a TPM for the sole purposes of diagnosis, maintenance and repair. This gives back control to our Canadian consumers.

This bill is important because it is one part of the federal responsibility that must be addressed before any right-to-repair legislation exists across Canada. Bill C-244 does not rewrite the Copyright Act, but without this change, any other legislation or regulatory changes will not have their desired effect and TPMs could not be bypassed for repair. This means that anyone who decides to circumvent a TPM now could face legal consequences.

It is time to give a measure of control back to Canadians. Canadians should have the right to repair. With this, we're able to promote a greener future by reducing waste to our landfills and extending the lifespan of a product.

I look forward to hearing your comments and to answering any questions you might have.

I'm very happy to discuss any amendments moving forward to prevent unintended consequences and to strengthen the sustainability and efficacy of the legislation.

• (1105)

Thank you.

**The Chair:** Thank you very much, MP Miao. It's much appreciated.

To start the discussion, we'll go to MP Williams for six minutes.

**Mr. Ryan Williams (Bay of Quinte, CPC):** Thank you, Mr. Chair.

I want to start by thanking MP Miao for bringing this bill forward. Certainly we can all agree that a circular economy, one in which we can have as many businesses competing as possible, is a great thing.

I have a few questions for you this morning, sir.

I'm going to start with warranties. You do talk about the circumvention of TPMs and wanting to make sure that companies cannot get around that in the Copyright Act. How do we work around warranties? A company has a warranty on a product, and if there's tampering or any circumvention, they can void that warranty. Have you thought about that in this bill? What can we do about that?

**Mr. Wilson Miao:** Thank you for your statement and comments and, of course, your questions.

With regard to warranties, this was brought up yesterday, actually, by a constituent of mine who was asking me about it and telling me about the importance of this bill. Recently he purchased a Microsoft Surface Pro, and somehow it got damaged within the warranty period. He took it back to the shop, but Microsoft decided not to honour that warranty because there were signs of tampering with the laptop.

In that regard, I feel that as long as the consumer is able to find options to repair it at a facility—not necessarily an authorized facility, but through a technician who knows what to do—it is the right of the consumer to carry that out. At the same time, it is for the manufacturer to determine whether or not there would be further amendments to the warranty they provide to the consumers so that the lifespan of the product can be also extended as well.

• (1110)

**Mr. Ryan Williams:** Mr. Miao, I'm looking at it in terms of perhaps what the U.S. has done—because they have some legislation—and what we can do in Canada. Would it be something that we have to do under the Copyright Act, or is there something else we're going to have to look at in terms of the two sides of this situation?

One is looking at warranties and the legal protections the manufacturers have under warranty, and two is enforcement. Either we enforce that, or the law changes to allow a third party to go under a warranty for a competitor or for a company. An example I'm going to give is that Tesla is known in the U.S. for not allowing others to work on their systems, but also, there's no enforcement. When Tesla doesn't allow others to work on their systems, that's not followed, and there's no enforcement and no penalty for people who go around that prohibition.

**Mr. Wilson Miao:** With regard to that part, I would say that a warranty usually falls under the consumer protection act. Without this bill being brought forward, other legislation could not come into play, because it's about a technological protection measure being accessed in any way—a warranty situation or not a warranty situation—for the purpose of the repair.

The limitation comes with certain exceptions, and these exceptions can also be brought forward and discussed moving forward after this—

**Mr. Ryan Williams:** I think that's valid, and it does the first step. I'm not so sure, though, that in this bill we get around that. I think that's still going to exist.

However, I think that in the circular economy there are going to be third parties that can work outside of warranties. I think there's certainly a part of the circular economy that could look at something—a cellphone or a car—outside of warranty and still be able to fix it. I think this bill does it. I'm just not sure if we get around the warranty when it is in warranty, just because of the legal ramifications.

The second question is this: Have we looked at our major trading partners—the U.S., Mexico and the EU—and is this bill in line with CUSMA and with CETA?

**Mr. Wilson Miao:** With regard to anything related to CUSMA, there are certain prohibitions put forward right now to not allow technological protection measures to be circumvented. Globally right now, in the U.S., many states—I believe 20 states in the U.S. right now—have right-to-repair framework legislation being discussed or developed, as do our EU and Australian trading partners. These are important issues to be discussed and studied once that part of the Copyright Act is amended. Any exception coming forward can be also considered as an amendment to further strengthen the legislation in the right-to-repair framework.

**Mr. Ryan Williams:** Through the chair to Mr. Miao again, do we have any numbers on the markets this bill will affect—current market numbers for potential growth for third-party electronics repair and servicing? Do we have current market numbers for OEM repair and servicing? Do we know the economic potential of this bill so far?

**Mr. Wilson Miao:** I don't have those numbers with me. Definitely, in the OEM market and aftermarket parts industry, there are demands for accessing certain parts and information in order to support the manufacturers or producers and help with the repair.

**Mr. Ryan Williams:** I have one last question, Mr. Chair.

**The Chair:** Provide a brief answer.

**Mr. Ryan Williams:** You mentioned that states are making these laws in the U.S. We also have provinces passing legislation. How is this bill going to work with the provinces?

**Mr. Wilson Miao:** From my understanding, there was previous legislation carried out at the provincial level. However, most of this fell through because of the limitation on circumvention of TPMs.

**Mr. Ryan Williams:** Thank you, Mr. Chair.

**The Chair:** Thank you very much.

We'll now move to MP Erskine-Smith for six minutes.

● (1115)

**Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.):** Thanks very much.

I say you did a great job bringing this bill back to us. I hope we can strengthen it wherever possible.

I want to start simply.

In your view, what sectors would be most impacted by legislation like this?

**Mr. Wilson Miao:** Because of how our technology advances today, I think this bill will affect every sector across the nation. There are a lot more electronic products for consumers to choose from. At the same time, these electronic products include many restrictions to access, which I have mentioned, such as TPMs. That will limit access for consumers in terms of not allowing intellectual property or the work of original creators to be accessed. At the same time, it limits the rights of consumers to repair.

**Mr. Nathaniel Erskine-Smith:** Through our review of the bill, we are going to hear, I am sure, perspectives strongly in support of the legislation. I expect we might also hear some concerns. You, as the sponsor, are obviously working closely with Bryan May, who originally brought it to us in the last parliament.

What do you see as the core objections? How do you think we can best respond to them?

**Mr. Wilson Miao:** The intention of this amendment to the Copyright Act is to allow an important part of the right-to-repair framework. Without this being carried forward, it would be considered illegal for any consumer or third party to do repairs.

Before we can discuss other legislation related to the scope, it is critical to move this part forward so that any circumvention of TPMs is not considered illegal here in Canada.

**Mr. Nathaniel Erskine-Smith:** —You would obviously be engaging with MP May, who would have done his own consultation on this. Of the organizations you have consulted, are there any we should be inviting that would be in support of the legislation? On the other side, are there organizations that have raised concerns with you that we would want to address?

**Mr. Wilson Miao:** Thank you for that.

I believe that in the second hour of today's meeting, there will be several witnesses appearing, including Global Automakers of Canada, AIA Canada and Associated Equipment Distributors, some

of which I have spoken to. They have raised some of their concerns regarding issues surrounding the industry.

However, I have to say that any industry that has consideration under the right-to-repair framework is thinking from the perspective of supporting more benefits to the consumer. No matter what industry we're talking about here, different producers across many industries have similar concerns about not allowing circumvention of a digital lock on the device or product that consumers own. In order for them to access it with the intention of repair, this change has to be carried out under the Copyright Act before other legislation can come forward.

**Mr. Nathaniel Erskine-Smith:** Your bill addresses an important consumer rights issue in a very specific and concrete way. I'm sure you will be faced with some organizations that will come to us with objections, and I expect we'll also hear from some others that would like the legislation to go further.

We're going through this with MP Carr around his legislation. He indicated an openness to certain amendments. In your legislation, are there amendments that you would look to and say, "We could tweak it this way to improve it" or "I looked at that, but I couldn't exactly deliver on that with the time I had"? Are there ways we could strengthen this bill?

**Mr. Wilson Miao:** Of course, I definitely think there is a lot more room for improvement on this bill. For example, I've spoken to Stryker, a stakeholder that develops health devices, and their main concern is if a non-technician decides to tamper with the machine and causes a death. That's very critical.

Of course, in talking about amendments, there are certain exemptions that can be considered specifically and come into play because of other consequences that we might face.

We also get to a dilemma if it's a life or death situation. During the pandemic, technicians were not able to access hospital facilities to repair or diagnose a health machine. What happens in those circumstances?

These are the situations we have to consider when discussing any amendments as we move forward with the right-to-repair framework.

● (1120)

**Mr. Nathaniel Erskine-Smith:** Thanks very much. I appreciate it.

Thanks for bringing this bill to us. It's incredibly important as a matter of consumer rights.

**Mr. Wilson Miao:** Thank you.

**The Chair:** Thank you very much, MP Erskine-Smith.

We'll move to Mr. Lemire for six minutes.

[Translation]

**Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ):** Thank you, Mr. Chair.

Thank you, Mr. Miao. Congratulations for your leadership and for the confidence you have shown in defending certain technical aspects of your bill. It's always agreeable to see members care so much about their bill.

Section 41.21 of the Copyright Act enables the Governor-in-Council to make regulations to amend certain anti-circumvention aspects of the act, by providing for other exceptions to the anti-circumvention rules.

When you want to allow someone to circumvent a technological protection measure, or TPM, to diagnose, maintain or repair a product, how would including that in an act be a better way of accomplishing it than simply making regulations? Why legislate? Why do you think the government didn't adopt such regulations?

[English]

**Mr. Wilson Miao:** I think both are important. It is very important because right now there is nothing in Canada that protects consumer rights and provides consumers with an alternative to repair, which causes a very serious problem to our environment as well.

This bill would not only allow the circumvention of TPMs; it also has consequences affecting the environment, because consumers face a very strong dilemma when products nowadays are mostly made with planned obsolescence to limit the lifespan of the devices. Even I have had the experience of seeing a product that I might be able to fix easily with a part that I can find, but only authorized dealers carry it. If you get it from somewhere else and you install it, then the device will detect something that is not part of the original and it will say that you can't use this device.

In most cases, consumers will decide that instead of fixing it, they will just get a new one. The old one will end up in landfills or third world countries that don't have the privilege of taking apart these products or recycling them for other uses.

[Translation]

**Mr. Sébastien Lemire:** That is indeed the crux of the problem and thank you for your leadership.

Your bill also comes up with a very interesting concept, the confirmation that people have the right to repair the property that belongs to them, or to have it repaired.

Do you think your bill is particularly useful for people living in the regions, in rural areas, where it's hard to find people authorized to make repairs?

[English]

**Mr. Wilson Miao:** Of course.

An example I would give is someone in the Prairies. Farmers rely on heavy equipment like tractors to provide produce for our nation. Whenever a repair or diagnostic is required, they will have to arrange logistics for the tractor to get to a nearby authorized dealer to carry out the repair necessary. This not only costs more money and more time, but also affects the performance of the agricultural industry. A simple fix comes with consequences at this moment, because heavy equipment like a tractor costs millions of dollars, and a small tamper will void every warranty that comes with it.

Is it justifiable for farmers to do the repairs themselves at this time, or must they go through the hassle of the logistics get it to the dealer to make the repair?

• (1125)

[Translation]

**Mr. Sébastien Lemire:** That is definitely an issue of territorial equity.

What is your bill telling auto manufacturers and dealers?

[English]

**Mr. Wilson Miao:** During our discussions with some in the auto industry, the concerns around safety definitely came as a top priority, and also the advancement of technology. This bill's importance stems from the context of the Copyright Act, which, at the time it was carried out, did not consider the computer programming that is related to a product. In these circumstances, we're not creating legislation just for us to use now but for future considerations as well.

In the automotive industry, there are many concerns. However, the voluntary agreement that is in place right now provides leeway for car owners to fix their vehicles in the local community repair shop instead of travelling far away.

Definitely there is a lot of concern in the industry, but I would say it's also important to consider all other industries across Canada.

[Translation]

**Mr. Sébastien Lemire:** Thank you.

**The Chair:** Thank you very much, Mr. Lemire.

I'm now giving the floor to Mr. Masse for six minutes.

[English]

**Mr. Brian Masse (Windsor West, NDP):** Thank you, Mr. Chair.

Welcome to committee. It's good to have you here on the other side.

I want to follow up on Mr. Lemire's good questions with regard to the auto industry.

In 2007, 2008 and 2009, I travelled the country to bring in the right to repair for the auto sector, and I have a subsequent bill now in the House. The CASIS agreement, the Canadian Automotive Service Information Standard, was the settlement after my bill had passed the first round in the House of Commons and was going to a second and third reading. We did the voluntary agreement at that time.

How would this bill affect the voluntary agreement, in your opinion?

**Mr. Wilson Miao:** First, Mr. Masse, thank you for all the work you have done in regard to the right-to-repair framework.

I understand that there have been a lot of conversations surrounding this voluntary agreement since it came into place back in 2009, and especially now. As we move forward with the target of eliminating all gasoline vehicles from the streets by 2035, there will be a lot more EVs on the street. With the current situation, some of the manufacturers are not bound by the voluntary agreement and do not have to provide the option of right-to-repair service by a third party. I believe that is not restricted just to Canadian consumers, but there is a lack of competition in our market because of it.

This bill, I believe, will stand on strong ground and address the unintended scope in the right-to-repair framework that the Copyright Act was never intended to have.

**Mr. Brian Masse:** There's lots of discussion about the voluntary becoming mandatory. With Tesla in particular, it's ironic that we are putting Tesla charging stations in parks, in Canadian places and so forth, when they've opted out of the voluntary agreement. There are people like me who are asking why they should be able to sell autos in Canada if they can just opt out of the voluntary agreement, circumvent the consumer market and circumvent young people trying to get training and servicing. Then there are the other issues of public safety.

Honda is also another player that has issues.

Do you know if this bill will make that component mandatory? Is that something we may have to look towards changing or amending?

I thank you for your efforts, but that's kind of the thing I'm looking at. We have this voluntary agreement that has been working somewhat, but it seems outdated.

• (1130)

**Mr. Wilson Miao:** I think this is quite important. In changing it from voluntary to mandatory, I'm sure there are a lot of considerations and studies to explore. At the same time, yes, I agree that we should give that option not just to the manufacturer or automaker that is bound by the voluntary agreement but to any manufacturer that wants to do business in our country, because this provides beneficial protection not just to Canadians but to the auto owners who save their hard-earned money to invest in transportation that allows them to further their work and make a living in our country.

**Mr. Brian Masse:** I have one last quick question.

One of the concerns I have is that if we devolve a lot of this to the province, we could have provinces with different laws and rules. I worked in the past on single-event sports betting, and Mr. Waugh had his bill passed. We worked together on that. It was basically my bill. I took it back off the table, and he brought it forward. They did a great, amazing job, but the problem is that each province now has its own rules, and I've had concerns over how some of that evolved.

What do you say about the concerns about provinces making different jurisdictional decisions related to this initiative?

**Mr. Wilson Miao:** I feel that the important part is that all governments need to work together. The intention of carrying out legislation like this is that it's really what Canadians need and want. Most importantly, I believe legislation carried out in the provinces

can be different depending on their location. There's definitely more study required to look into how we can improve this situation and not have diversity in provincial jurisdictions on this legislation.

[Translation]

**The Chair:** Thank you very much, Mr. Masse and Mr. Miao.

It's over to Mr. Vis now for five minutes.

[English]

**Mr. Brad Vis (Mission—Matsqui—Fraser Canyon, CPC):** Thank you, Mr. Chair.

Thank you, MP Maio, for being here today. You certainly give us a lot to think about. It's a minor amendment with major consequences.

This summer I did some consultations with tractor dealers and with the agricultural sector in general with respect to this bill. It's garnered a lot of attention in British Columbia. One of the agricultural dealerships that I was speaking with, Matsqui Ag Repair, is licensed through various tractor manufacturers to repair on their behalf, and one thing they mentioned, which I think is important, is the amount of time, energy and money they have to spend on their staff to keep them up to date with all of the various computer programs to make sure that these modern tractors run. The companies that do tractor repair work invest significantly to do so. I just wanted to put that on the table.

The second point he made is that this bill will have major environmental consequences, negative consequences, because right now fuel costs have gone up substantially for farmers across Canada. He said one thing he's already dealing with under the vehicle manufacturing standards in Canada and maybe under CEPA that still needs to be amended on this front is that farmers are finding ways to cut costs by overriding the computer programs because they can't necessarily afford, or don't want to afford, all of the input costs to harvest their crops.

He gave the example of a carburetor. It's easy in some cases for a farmer to override the software to essentially decrease the efficacy of the carburetor being used.

Have you heard of similar instances in your consultations on the possibly negative environmental consequences of this bill in respect to circumventing computer programs to avoid high input costs?

• (1135)

**Mr. Wilson Miao:** Thank you for sharing your comments.

That's a very good question, because, yes, I did hear about negative impacts related to environmental concerns, but here's my question to you as well.

Imagine this: With a tractor being so expensive, overriding the compressor to have maximum performance and tampering with what I also consider a TPM are considered illegal and would void the potential warranty with the dealership.

If that's the case, what happens with this expensive investment that ends up just sitting there on the farmland and not being used? There is a chance that the farmer might purchase another vehicle. Purchasing another vehicle means we need the raw materials, and we also need all the technologies and potentially investment in research areas to better advance the old piece of technology.

When we come to environmental concerns, yes, we do have those resources under our earth, but at the same time, environmentalists would have the consideration of why we are exploiting more resources when we can recycle the existing equipment.

**Mr. Brad Vis:** Generally, when farmers are making an investment for a tractor, I know they want to use it. The life cycle of that vehicle is quite long. That's a 20-year investment, in some cases, for some of the producers in your riding and in mine, which have similar agricultural products.

In one of the other points you mentioned in your opening testimony, you talked about the legal consequences. Can you point to any court cases or rulings by courts in Canada that we as a committee can examine so that if we look at possible amendments, which you said you were open to, we can see how the Copyright Act has been used in the context that you're trying to address? Do you have any court cases in mind that you could point us to offhand?

**Mr. Wilson Miao:** Thank you very much for that.

I don't actually have any existing court cases in mind, but regarding this issue, there is always the grey area. Parts can be imported from where the product is manufactured, and using them is a repair option for consumers. Fixing that device through an authorized dealer would definitely cost more than it would in a third party repair shop that is probably open in some communities. Is it illegal to do such circumvention?

I think it also comes with a huge consequence for the consumer, because finding a less expensive repair alternative also creates other restrictions on further use of their warranty.

**Mr. Brad Vis:** Thank you, Mr. Chair.

I'm going to share the remaining—

**The Chair:** Thank you.

There is no remaining time, Mr. Vis. I'm sorry. The five minutes are up.

We will move to MP Dong for five minutes.

**Mr. Han Dong (Don Valley North, Lib.):** Thank you very much, Chair.

I also want to congratulate MP Miao for bringing forward his first private member's bill in the House.

This is a very interesting topic. Thank you very much for raising the attention on this issue.

When I study this bill and look at the different backgrounds and analyses, I can't help but think of the importance of striking a balance between maximizing efficiency in our economy while providing an incentive for innovation and at the same time striking a balance between consumer protection or consumer rights protection

versus consumer safety and security. Also, privacy concerns nowadays are a hot topic.

I started thinking about this backwards. When the Copyright Act was originally designed and the prohibition was put in place on the TPMs, there had to be a reason for it. I want to hear your thoughts on this. What's your understanding of why the TPMs shall not be circumvented under the current context of the Copyright Act?

• (1140)

**Mr. Wilson Miao:** Thank you for your questions.

There are definitely concerns to be raised, depending on the product and what is permitted to circumvent a TPM. There are potential risks, such as health risks, safety risks, cybersecurity risks and privacy violation in the Copyright Act.

Most of the time, people won't think about the right of repair in the copyright context. However, in order to repair a product, you need access. Right now, from what I see, there's computer programming that is restricting access to allow any diagnostic repair or maintenance to be done.

**Mr. Han Dong:** I just need to understand. Your thinking is that when the bill was originally designed, it did not pay enough attention to the right to repair and how quickly technology evolves. There are things that we learn on YouTube, simple things, and people are smarter nowadays about fixing things on their own.

I heard a lot of discussion about the automaker agreement. I remember the days of looking at how much it cost to buy a phone with a contract or without a contract. The major hurdle was that if you bought a phone without a contract, then you had to find somebody to unlock it if you had to travel somewhere else. Now we don't have this headache anymore.

I definitely see the benefit of what you're talking about. At the same time, I wonder if, in your view, there should be limitations as to the type of product or the type of industry, because obviously trained professionals are also a concern.

Maybe it's your vision that anyone can repair this or circumvent it. Is it only those technicians who receive some degree of training who are allowed to circumvent the TPM? What are your thoughts on that?

**Mr. Wilson Miao:** I would say that not anyone can make the repair. It does take an effort to learn and understand the skills and know what to do on certain products. Especially back in the day, cars did not have many electrical parts in them. People liked to get their hands dirty, get into a car and fix things. In those circumstances, yes.

YouTube allows us to learn more about DIY. There are areas where it's not recommended, such as taking the battery pack out of a Tesla and putting it into another car, for example. These are risky actions that I would say should be left to the professionals and technicians.

**Mr. Han Dong:** Then you believe that there should be some minimum requirement for whoever's performing this.

My last question has to do with CUSMA. A lot of people brought this up, so I want to hear your thoughts.

Should this amendment be passed and become law, would that decrease our competitiveness internationally, both in terms of competing with our American counterparts, as well as in the sense of CUSMA countries as a whole competing with the rest of the world?

**Mr. Wilson Miao:** Right now under CUSMA, there are exceptions that prohibit the circumvention of TPM. There is definitely a lot more to look into so as not to have unintended consequences in our CUSMA agreement. At the same time, it also allows the opening of a new market where there are parts and aftermarket products that can be used, allowing the consumer to fix and even modify devices to obtain a better result.

• (1145)

**Mr. Han Dong:** Okay.

During your research, what's your read on the—

[Translation]

**The Chair:** I apologize for interrupting you, Mr. Dong, but your speaking time is over.

Mr. Lemire now has the floor for two and a half minutes.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

Mr. Miao, what do you think about planned obsolescence? Have you looked into this matter or wanted to change some practices in order to extend the life of goods?

Are you in favour of labelling that would display a durability and repairability rating?

[English]

**Mr. Wilson Miao:** Of course, I think we definitely need to look at the values that consumers are considering, such as how durable a product is. Any product nowadays definitely has an expected or desired performance in terms of its lifespan, and with planned obsolescence.... I can think of a great example right now. I'm sure most of us own an iPhone, and we know that an update can decrease its performance. These are computer programs that only the manufacturer can get access to in order to tweak them.

Another scenario I can think of is, as Mr. Vis had mentioned, when we are trying to do overrides or modifications to certain software to maximize certain performance aspects. Definitely, I think that should be looked into, and we should find ways to at least have a standard of quality or durability for a product in order for it to be sold to our Canadian consumers.

[Translation]

**Mr. Sébastien Lemire:** Since 2015, American regulation allows circumvention as required, under a TPM, to diagnose, repair or make minor modifications to a motor vehicle.

How does your bill compare to the American legislative measures?

[English]

**Mr. Wilson Miao:** It's very similar in context, I would say. These are different parts of the right-to-repair framework we have to consider. Coming back to my private member's bill, the Copyright Act was never intended to stop the circumvention of a TPM

for repair purposes. It's important for us to consider this as well in any conversations surrounding the legislation.

[Translation]

**Mr. Sébastien Lemire:** Thank you.

[English]

**Mr. Wilson Miao:** Thank you.

[Translation]

**The Chair:** Thank you very much, Mr. Lemire.

Please go ahead, Mr. Masse.

[English]

**Mr. Brian Masse:** Thank you, Mr. Chair.

Do you anticipate that you'll also get support from young people and others who want to do technology creativity—not for profit, but to have the ability to actually explore and work on devices, some of them old, in many respects? We've seen frivolous lawsuits in the past put on youth for that.

**Mr. Wilson Miao:** Of course, and I think you brought up a very important point as well. What we're doing here right now with the right-to-repair framework is providing options for consumers to fix the product and not throw it away, which lessens the burden on our environment, which is something that our future generations would enjoy.

At the same time, young individuals right now are becoming more and more creative and innovative, and allowing them to have access to learn how to do the repairs or maintain a product allows better innovative ideas for a product, for example, and also maybe creates something new so that we can advance our technology.

**Mr. Brian Masse:** Thank you. Those are my questions, Mr. Chair.

I thank the member for that, because there are some that use frivolous lawsuits against young people when they're doing this type of work, and they're not doing it to create a profit for themselves. We've seen that in the past.

**The Chair:** Thank you very much, MP Masse.

We'll move to Mr. Fast for five minutes.

**Hon. Ed Fast (Abbotsford, CPC):** Thank you very much, Mr. Miao, for bringing this bill before us.

I want to return to the discussion of USMCA, or CUSMA, and our relationship to other trading partners around the world. Have you considered whether your bill complies not only with USMCA but also with the WIPO treaties, which effectively regulate the use of copyrighted property around the world?

• (1150)

**Mr. Wilson Miao:** Thank you, member, for that question.

That part was not considered during my preparation of this private member's bill. However, with regard to the CUSMA right now, the Copyright Act provides three prohibitions on TPM circumvention activity. The first one would be the circumvention prohibition, the second is the service prohibition and the third is the device prohibition. However, there are categories that provide exceptions to these three TPM prohibitions in the agreement: law enforcement and national security, interoperability of computer programs, personal information, security, persons with perceptual disabilities, and radio apparatus.

**Hon. Ed Fast:** I'll very briefly interrupt you.

My question is specifically focused on our multilateral obligations. CUSMA, of course, is a trilateral agreement between Canada, Mexico and the U.S., but we have a whole bunch of trading partners all around the world under the WTO. Many of them have signed on to the WIPO treaties. Could I ask you to come back to this committee or at least provide us with additional information on whether we're in compliance with those treaties?

My next question has to do with warranties and goes back to points that a number of individuals around this table have already addressed in the discussion.

If I were advising an OEM on how to address this legislation, it would be to use warranties to circumvent the spirit and intent of your bill. Does this bill actually specifically address the use of warranties as a circumvention tool?

**Mr. Wilson Miao:** I would say warranties usually fall into a certain period of time. It's usually from one to 10 years, depending on the equipment investment.

At the same time, part of this bill gives consideration for an exception to allow circumvention through a third party to carry out repair services.

At the same time I feel that yes, this can be a consideration for making further amendments to the current bill.

**Hon. Ed Fast:** I'm glad to hear that.

I was just going to propose that you consider an amendment that would address warranties, specifically because I fully expect that the industry—the OEMs—will find a way of using long, extended warranties to ensure that the right of repair is circumvented and that third parties won't be able to do that work.

**Mr. Wilson Miao:** Maybe I can add a little bit on that topic.

If this bill does pass with the support I had previously, there is also further legislation that can be carried out through different provinces and territories across the nation or in relation to other legislation within the federal responsibility.

**Hon. Ed Fast:** How much time do I have, Mr. Chair?

**The Chair:** You have about a minute, Mr. Fast.

**Hon. Ed Fast:** Mr. Miao, could you explain in greater detail what has changed in the repair industry environment that necessitates a specific bill to create the right of repair?

Right now, we have third parties doing work on all kinds of equipment, but something must have changed in the legal landscape

or in the digital landscape that now makes it necessary for you to bring forward a bill like this.

**Mr. Wilson Miao:** I would use this as an example. I was shopping for a new fridge for my family. The intended use of a fridge is to store produce in a cool environment, but now fridges come with all these new technologies—touch screens or a reminder to buy milk if there's no milk detected in the fridge. They come with a lot more digital components. In the past, there weren't as many digital components in the devices that we use.

At this time, I think there's a lot more to consider, because we are in the stage where the Internet of things is very common. Although computer programming falls under the work of the Copyright Act, the act does not look at the prospect of a TPM being circumvented.

• (1155)

**Hon. Ed Fast:** Thank you.

**The Chair:** Thank you very much, Mr. Miao.

We'll move to Mr. Gaheer for five minutes.

**Mr. Iqwinder Gaheer (Mississauga—Malton, Lib.):** Thank you, Chair.

Thank you to MP Miao for making an appearance before the committee. Congratulations.

We know that an extraordinary amount of e-waste is generated. That's only getting worse with manufacturers making it increasingly hard to repair equipment, including iPhones, for example.

What impact would the bill have on the environment?

**Mr. Wilson Miao:** There's definitely a big impact on the environment, because rather than throwing away a product that can easily be repaired, we can consider the alternative of repairing it. We are able to reuse the materials and allow a second life and extend the lifespan of the product.

Imagine how much we are shopping online right now. All of those products are being thrown away because of a minor defect or because of a malfunction that is caused by something that cannot be controlled by the consumer. They can't access it and make the repair themselves or even bring it to a third party repair shop to do that.

**Mr. Iqwinder Gaheer:** That's great. Thank you.

Are there risks associated with allowing people to circumvent TPMs for the purposes of repair? For example, when I look at farm equipment and at allowing someone who doesn't have specific expertise on that piece of equipment, wouldn't it be dangerous if they tamper with it?

**Mr. Wilson Miao:** Of course, and you've brought up a very important point.

If a technician does not have the skills and licence to conduct a repair, there can be a potential risk related to safety or the use of the equipment. That may cause severe consequences. That is why it's important for us to keep that in consideration when a TPM is circumvented. I'm happy to discuss any amendment that can improve the bill to have that consideration as well.

**Mr. Iqwinder Gaheer:** We know that cars are very smart nowadays with the amount of technology they have in them and, for example, with what they're recording about your behaviour as you drive. Technology companies have also made it so that they have exclusive access to that data. What do you have to say about the data piece of it?

**Mr. Wilson Miao:** As I mentioned previously about how our world is filled with the Internet of things, these devices are communicating with each other through a network. I believe that a member of the opposition has brought forward Bill C-294 in discussing the interoperability of devices. This is something that we can look into further to see how we can be more secure and consider the effects and the consequences when computer programs are talking with each other.

**Mr. Iqwinder Gaheer:** Thank you so much.

**Mr. Wilson Miao:** Thank you.

**The Chair:** Thank you very much, MP Gaheer.

Thank you very much, MP Miao, for bringing this bill forward and joining us in committee today.

This is the end of the first hour. I will have to now suspend briefly so that we can bring in witnesses for the second hour.

Again, thanks a lot, MP Miao.

I now suspend the meeting.

• (1200) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1205)

**The Chair:** Good afternoon, everyone. Welcome back to the Standing Committee on Industry and Technology.

For the second hour of our meeting, we have Mr. Craig Drury, former chair of Associated Equipment Distributors.

From the Automotive Industries Association of Canada, we have Alana Baker, senior director of government relations.

[*Translation*]

The association is also represented by Sylvain Séguin, the president of Fix Network Canada

We also have David Adams, president and chief executive officer of Global Automakers of Canada.

Without further ado, it's over to Mr. Drury for five minutes.

[*English*]

**Mr. Craig Drury (Past Chair, Associated Equipment Distributors):** Thank you.

Good afternoon. Thank you for inviting the Associated Equipment Distributors to present on Bill C-244. It is an honour to appear before you today as AED's immediate past chair and as vice-president of operations at Vermeer Canada.

AED is an international trade association representing companies that sell, rent, service and manufacture construction, farm, mining, energy, forestry and industrial equipment and related supplies. AED's Canadian members account for more than \$8.7 billion in an-

nual sales and services and employ over 27,000 workers at 400 locations across the country.

“Right to repair” is a simple slogan. However, the policy proposals surrounding the issue are complex, with significant consequences.

At the outset, I want to make it clear that AED members support customers' right to repair their machinery and the right of distributors to make available diagnostic tools, repair information, parts and remote customer support. Idle, non-functioning equipment equals lost time and money. Whether it's on a farm during harvest or on a road-building project, there is absolutely zero incentive to not do everything we can as equipment dealers and manufacturers to keep the machine running. That can mean repairs completed by a dealership service technician, the customer or a third party provider. The equipment industry is highly competitive. If Vermeer Canada isn't providing proper and timely service, nothing is stopping the customer from moving to one of my many competitors and their products.

However, we don't support unfettered access to critical on-board software and information pertaining to environmental and safety protections or key operational functions, which is what Bill C-244 would ultimately do. While customers can complete most repairs to their machinery, environmental and safety functions, as well as technological developments that have made equipment more efficient and productive, necessitate restrictions in access to source code and software that ensure that key operational functions aren't modified or disabled.

Manufacturers of equipment rely on a network of independent small and medium-sized companies, many of which are family-owned, to sell, rent and service the equipment. These dealers make significant investments in their employees, including training service technicians to repair and maintain the latest high-technology machinery. Many AED members' facilities are located in rural and underserved areas, creating well-paying jobs and economic opportunities.

The equipment industry has invested significant time and resources to mitigate environmental harm, resulting in a substantial reduction in emissions. Of great concern is that Bill C-244 threatens important environmental gains, as it would permit unfettered access to embedded software to circumvent emissions protections.

Similarly, modern equipment has numerous safety features to protect both equipment operators and the public, the latter often-times driving or walking past construction sites and other areas while machinery is in use. Granting access to override safety features, as Bill C-244 would do, poses undue risk for operators and bystanders.

Additionally, equipment dealers invest countless resources to train certified technicians to work on complex machinery. By this mandating of access to embedded source code, unqualified individuals will attempt to repair the world's most advanced and sophisticated equipment at significant risk to themselves, operators and the public.

The aforementioned raises this question: Why would someone want to circumvent emissions or safety protections? The answer is simple: It's for machine performance. Limits on horsepower and other functions that the machine might be able to carry out are necessary to ensure that the equipment is environmentally friendly and safe. A simple Google search yields a plethora of vendors offering products and services to assist equipment owners to modify their machines. Requiring access to source code and embedded software will only proliferate this practice, with significant negative ramifications for the environment and safety.

Proponents of Bill C-244 tout the environmental benefits, because customers won't need to discard products as readily if they are able to fix products themselves. However, heavy equipment is among the most durable manufactured products commercially available. Equipment will oftentimes be sold to a customer, traded in when the customer purchases a new machine and subsequently either resold or rented. Improper maintenance or modifications related to granting unfettered access to source code jeopardize a machine's operation and longevity, which may cause negative environmental and safety impacts and shorten its productive life.

Simply put, for the equipment industry, the right-to-repair proposals are a solution in search of a problem. AED members provide customers and third party repair providers with parts, tools and other resources to complete the overwhelming majority of equipment repairs. It's bad business not to do so. Out-of-service equipment isn't merely an inconvenience; it can ruin a farmer's harvest or delay completion of a bridge or roadway.

Thank you again for the honour of appearing before you today. I look forward to answering any questions you may have.

• (1210)

[*Translation*]

**The Chair:** Thank you very much, Mr. Drury.

Before giving the floor to the representatives of Global Automakers of Canada, I would simply like to advise members that I will not be allowing them to speak unless they are using equipment provided by the House.

I think that answers Mr. Généreux's question.

Ms. Alana Baker has the floor now.

**Ms. Alana Baker (Senior Director of Government Relations, Automotive Industries Association of Canada):** Thank you, Mr. Chair.

[*English*]

Thank you, honourable members of the committee, for the opportunity to appear before you to speak to Bill C-244.

[*Translation*]

I'm going to give my presentation in English, but we'll be happy to answer any questions in French as well.

[*English*]

My name is Alana Baker, and I am the senior director of government relations for the Automotive Industries Association of Canada, otherwise known as AIA Canada.

I am joined today by Sylvain Séguin, president of Fix Network Canada, a global leader in collision, glass and mechanical repair services, operating over 2,000 points of service worldwide.

AIA Canada represents, supports and leads innovation in Canada's \$32.2-billion auto care sector. Our more than 4,000 members, located in every riding across Canada, help keep the country's fleet of almost 30 million vehicles on the road. Whether you have been in a collision or require maintenance, our members help vehicles last longer, pollute less and keep drivers safer by offering Canadians any product or service a vehicle may need after it rolls off the dealership's lot.

I want to begin my remarks by making clear the automotive aftermarket support for the intention and principles behind this bill. Bill C-244 is a step in the right direction when it comes to levelling the playing field for service and repair of consumer goods, something that is of importance not just to the automotive sector but to many others.

Having the flexibility to repair your goods or have them maintained by third party providers is critical in a price-conscious market, as it allows Canadians to shop around for competitive pricing. Given persistent levels of inflation, ensuring a competitive marketplace does not just help businesses but consumers as well.

This bill comes at a critical moment when manufacturers of goods, including vehicles, have become increasingly sophisticated in their ability to create a closed loop for service diagnostics and repair. The more complex an item is to repair, the more challenging it is to service. This is increasingly the case for vehicles on our roads, which are effectively computers on wheels.

However, while addressing digital locks is important, there are still loopholes that can be exploited by manufacturers to prevent third parties from repairing or servicing goods. Any legislation that proposes to address this issue should contain clear verbiage that eliminates manufacturers from the ability to circumvent the sharing of data to prevent independent shops from obtaining diagnostic repair or maintenance information for the purposes of legitimate repair.

To that end, we believe that there are some amendments that can be made to this bill that would strengthen its intention and that would truly pave the way for the right to repair in Canada. These amendments, which include parallel changes to the Competition Act, would help reinforce a manufacturer's requirement to allow access to vehicle data. I would be happy to speak about this in greater detail during the question-and-answer session.

Without access to a vehicle's diagnostic data, independent auto repair shops cannot service a vehicle. This makes it harder to make sure vehicles are operating as efficiently as possible, and we expect this problem to grow significantly over the years ahead. Without intervention, automakers will continue to control the terms through which independent auto shops access this data.

Lawmakers around the world have recognized the importance of the right to repair, including through legislation that gives consumers the right to repair their vehicle, and 83% of Canadians agree that automakers should be required by law to share data with independent auto repair shops. Canada cannot afford to be left behind. Government must act quickly to advance right-to-repair principles through forthcoming legislative efforts.

Stories are emerging every day about the inability of our members to service vehicles because manufacturers make it difficult or sometimes impossible to access essential data and information. One example was highlighted during our recent advocacy day by another member of Parliament. The auto repair shop that this member typically goes to purchased brake pads to fix his vehicle, but was unable to access the repair information from the manufacturer, Volvo, to complete the repair. The repair shop then gave the member of Parliament the brake pads they had purchased and had the car towed to the Volvo dealership. The dealership then told the customer that they would not repair the car with aftermarket brake pads, meaning the customer had to pay more money for original equipment manufacturer parts.

Stories like this are all too frequent, and they will become more common without intervention by legislation. It is critical that vehicle owners and not the automakers be the owners of their vehicle data so that they can continue to choose where they bring their vehicle. Addressing this issue will allow our small and medium-sized enterprises to remain competitive and continue to serve as the primary provider of essential vehicle services to Canadians.

I want to thank MP Wilson Miao once again for his work on this bill, and thank committee members for the opportunity to present today.

We look forward to answering your questions.

• (1215)

**The Chair:** Thank you very much, Madam Baker.

We will now turn to Mr. Adams for five minutes.

**Mr. David Adams (President and Chief Executive Officer, Global Automakers of Canada):** Thank you, Mr. Chair and members of the committee, for the opportunity to speak to you today on behalf of the 15 member companies of the Global Automakers of Canada.

Our manufacturing members, Honda and Toyota, represent 55% of the Canadian light-duty vehicle production through September 2022, while all members, as exclusive Canadian distributors of some of the world's largest global automakers, were responsible for 62% of Canadian sales in 2021.

My members recognize the importance of having an open, fair and competitive repair industry while maintaining safety and quality standards for the benefit of consumers. That is what the Canadian

an Automotive Service Information Standard provides to the automotive industry.

That said, some in the automotive aftermarket have utilized this bill to try to secure more rights, which we have yet to understand. We have serious concerns about Bill C-244 because it exposes vehicles to the prospect of theft, hacking, and compromised vehicle safety and emissions standards on which vehicle manufacturers are stringently regulated before they can put a vehicle on the road and afterward. The bill allows the circumvention of technological protection measures in a computer program if the circumvention is solely for the purpose of diagnosis, maintenance or repair of a product. In practical terms, how does an ordinary person circumvent technological protection measures? More importantly, what are the ramifications of anyone's being provided the capability of legally circumventing TPMs for any reason?

For an automobile that operates on public roads at potentially high rates of speed, we believe the risks of injury or death for the user and the general public are obviously exponentially greater than are those from other products when TPMs are removed. Critically, how would a consumer, the manufacturer or potentially the courts know who had circumvented the TPMs and for what reasons? What would be the due diligence undertaken to ensure that the individual undertaking the circumvention of any TPMs had the appropriate certification and training to undertake the diagnostic repairs? Will the circumvention of TPMs be recorded on a consumer's bill of sale so consumers understand their potential consumer protection recourse? Will the repairer also take on the responsibility and liability associated with the circumvention of TPMs? Will the repairer provide a full and complete record of repair work undertaken to the manufacturer, to establish continuity of service in the event liability issues arise with respect to safety or emissions non-compliance or cybersecurity attack?

When MP Bryan May brought forward a previous iteration of this bill, it was made clear that the automotive industry was not the subject of the bill, because we have had a solution in place that has worked since 2010, known as the Canadian Automotive Service Information Standard, or CASIS for short. Under that voluntary agreement, manufacturers are required to provide the service information, training tools and equipment to the aftermarket so that any qualified mechanic can repair a consumer's vehicle. We're proud of the support, expert advice and help desks that our industry makes available to automotive mechanics across the country. We are open to exploring ways to improve upon this.

For the automotive industry, the right to repair clearly exists. Repair statistics bear this out when comparing repairs done by the aftermarket vis-à-vis OEM dealers. Therefore, members have been aggressively lobbied by the automotive aftermarket for so-called "rights" that already exist.

Finally, Bill C-26, an act respecting cybersecurity, is before Parliament. It will introduce more stringent standards and monitoring to ensure that Canadians are protected from cybersecurity risks and threats, yet the bill before this committee would open up opportunities for cybersecurity risks and hacking. It is not only incongruent but also puts consumers at unnecessary risk.

Indeed, consumer protection is at the heart of this issue. Consumers need to be assured that when their vehicle is serviced and repaired, it is done so to OEM service and repair standards, and that those repairing the vehicle are accountable and liable, both to the consumer and to regulatory authorities, for such repairs.

We are on board with right-to-repair solutions. We have been for the last dozen years, since CASIS was established. This solution benefits consumers and the aftermarket without creating dangerous safety and cybersecurity vulnerabilities.

Thank you very much for your time. I look forward to your questions.

• (1220)

[*Translation*]

**The Chair:** Thank you very much, Mr. Adams.

Mr. Fast now has the floor for six minutes.

[*English*]

**Hon. Ed Fast:** Thank you very much to all of the witnesses for appearing before us.

Let me start off with a very general question to both Mr. Drury and Mr. Adams. Does either one of you support any right to repair by third parties?

**Mr. David Adams:** I can speak for myself. I think the fact that we have a voluntary agreement in place, and have for the last dozen years, speaks for itself that we do support a right to repair.

**Mr. Craig Drury:** It is AED's position that we do support right to repair as well. As I said before, it's just that we need to keep equipment running in order to be the solution of choice for our customers to come to us—so yes, we do.

**Hon. Ed Fast:** Do I understand either one of you to say that if a right-to-repair bill came before Parliament that actually addressed some if not all of your concerns, you might support it?

**Mr. David Adams:** I think the reality is that what's before the committee currently opens up a host of problems and challenges with respect to, as both Mr. Drury and I have enunciated, potential risk to safety, potential risk to environmental compliance and various other issues that are problematic.

**Mr. Craig Drury:** Yes, I agree with that. I think the answer to your question is yes, we would support it if our issues around safety and emissions were....

The other one that we're not talking a lot about is machine performance. Software is there to control how the machine is designed to operate in a safe way from a performance perspective. That could easily be modified so that the machine was working in an unsafe way. We're concerned about that as well.

**Hon. Ed Fast:** All right.

Ms. Baker, thank you for your presentation as well.

Did I hear you say that you believe auto owners, not automakers, should be the owners of their data, including diagnostic data?

**Ms. Alana Baker:** Yes, it's our view that it's your vehicle, so it's your data as the auto owner.

**Hon. Ed Fast:** Okay.

How do we protect the OEMs with respect to the issues that have been mentioned by both Mr. Drury and Mr. Adams?

**Ms. Alana Baker:** To start, we've heard a lot about privacy and cybersecurity. This has always been a priority for the aftermarket. Cybersecurity and privacy should not become reasons to justify limiting serviceability. I would say notably, as an example, the National Highway Traffic Safety Administration in the U.S. recently released updated cybersecurity practices for motor vehicles and recommended that the automotive industry provide strong vehicle cybersecurity protections that do not unduly restrict access by alternative third-party repair services authorized by the vehicle owner. The aftermarket wants repair information to be accessible through an interoperable, standardized, open system.

It's also worth mentioning that we have seen among IT experts an opinion that a multi-layered architecture of interoperable open systems might offer better protection against cybersecurity attacks in closed systems.

Also, cybersecurity and privacy risks can be managed. They can be managed throughout the vehicle's life cycle through collaboration among automakers, the aftermarket, and industry and regulatory experts. I would say that implementing industry standards can be safe. They can create secure, direct and standardized access to the vehicle data, which can then be directed to the repair facilities of the consumer's choosing. At the end of the day, it comes down to consumer choice.

• (1225)

**Hon. Ed Fast:** You also mentioned that there were some changes to the Competition Act that you felt might be required to ensure that the OEMs don't circumvent the right of repair. Perhaps you could expand on that.

**Ms. Alana Baker:** Sure. We believe there are some amendments that can be made to this bill, Bill C-244, that would strengthen its intention. That would truly pave the way for the right to repair in Canada. Parallel changes to the Competition Act would help to reinforce the manufacturer's requirement to allow access to diagnostic and repair information, which would address some of the systemic issues around data ownership and allow our small and medium-sized businesses to truly compete.

We did see Bill C-231, which was brought forward by MP Brian Masse. I want to thank Mr. Masse for bringing this bill forward in February 2022. That bill contains a number of amendments to the Competition Act that would help to access the data. In particular, we are proposing a new section be added after section 75 of the Competition Act, proposed section 75.1, “Vehicles—Access to Information and Service Parts”. I would be happy to provide members of the committee with the specific text after the presentation today.

**Hon. Ed Fast:** Could you just explain to the committee how this bill will actually improve competition in the marketplace?

**Ms. Alana Baker:** Let me bring it back to the consumers for a minute. Consumers today are grappling with high levels of cost-of-living expenses. The type of monopolistic control and behaviour we're seeing from manufacturers is frankly unacceptable, particularly during these times when it adds to the burden of increased costs.

Governments have a responsibility. It's time to modernize our laws and bring them up to date so that they can keep pace with the rapid advancements in vehicle technology and are fitted to the wireless world we are currently living in today. This is not just about ensuring fair competition. This is about the preservation and protection of consumer choice and ensuring that consumers have continued access to reliable, essential and affordable vehicle service and repair.

**Hon. Ed Fast:** Thank you. Those are all my questions.

[*Translation*]

**The Chair:** Thank you very much, Ms. Baker and Mr. Fast.

And now it's over to Ms Lapointe for six minutes.

**Ms. Viviane Lapointe (Sudbury, Lib.):** Thank you, Mr. Chair.

[*English*]

My question is for Mr. Drury.

I'm from Sudbury, a global mining centre. We know that the mining industry uses a vast amount of equipment in their operations. Can you describe for the committee the impact that Bill C-244 would have on this sector? I'm specifically interested in learning about the economic impact as well as the environmental impact on the mining industry.

**Mr. Craig Drury:** I'm not directly in the mining industry, so I'll talk just generally about this. For example, there's a project in Fort McMurray right now, where a number of autonomous truck fleets are running that require very sophisticated software and control systems to operate in a safe way.

The other comment I would make is again a general comment. I am sure that in all mining operations in Canada today, there is software going back and forth. There will be trained technicians on those jobs, on behalf of the OEMs as well as the dealers and the customers themselves, to make sure that those machines are as productive as possible. The mining industry is probably the one where production is very important. Just due to the sheer numbers, if machines are down, it's a big deal. There's a lot of support going on to make that work.

From an economic perspective, just anecdotally, from the stories I've heard, it drives jobs for all three of those—the dealers, the OEMs and the sites themselves.

**Ms. Viviane Lapointe:** Thank you.

This summer we held a round table in Sudbury with the Minister of Agriculture when she came to visit and some of our local farmers. One of the challenges they cited for farmers, especially in rural areas, is the increasing lack of access to mechanics and to mechanical parts for their farming equipment. Is it your view that Bill C-244 could help address this challenge for rural farmers?

• (1230)

**Mr. Craig Drury:** I'm going to say no. Today we are sharing, again, as much information as possible. In fact, I need to take a little issue with the remarks at the beginning. There really aren't tractors down right now because they don't have the information. The good dealers out there are supplying information to keep those machines running. I have people on staff right now who are getting fault codes on their phones before the customer even knows about it. The parts are on the way so that the customer can do the repair themselves, before they even know there's an issue.

That's the reality of what's going on in the field today, regardless of how remote it is. I would suggest that if the customers have good relationships with their dealers, they'll probably be just as productive as they would be if they tried to do it on their own.

**Ms. Viviane Lapointe:** Thank you.

Ms. Baker, I read your submission to the committee. I would like you to expand on your statement regarding protecting consumers “by legislation that reflects the new reality of vehicles in Canada”. I think you also speak about “the aftermarket direct, remote, and real-time access to diagnostic data”.

**Ms. Alana Baker:** I'll say that we are seeing rapid advancement in vehicle technology.

As I said, vehicles on today's roads are effectively computers on wheels. Cars today are now equipped with vehicle telematic systems. These systems refer to the computer hardware that is embedded in a vehicle. It collects, stores and processes all the data on the health of the vehicle's systems, including the data that's needed for diagnostics and repair. This data is then transmitted directly from the vehicle to a back-end server, wirelessly, where it's under control and ownership of the automaker.

The problem that we're seeing now is that the telematic systems that are installed in the vehicles by the automakers are going to replace on-board diagnostics as the source of vehicle diagnostic data. Because the automakers own the telematic systems through which this data is collected, stored, processed and wirelessly transmitted, they are the de facto owners of the data and control access to it. When it comes to the consumer, they do not have a choice on where, ultimately, they bring their vehicle for service and repair. If our shops do not have access to that data, they simply can't fix the car.

**Ms. Viviane Lapointe:** I have a question for all members of the panel.

Is it your sense that the repair industry will benefit from this legislation? Will it be proportional to the loss that technology companies will experience?

**Mr. David Adams:** I would say that the risks with this particular bill before us now, for the automotive industry in any event, outweigh the gains if the bill moves forward, for the reasons I enunciated in my testimony.

**Mr. Craig Drury:** I would generally agree with that.

In the instances where we have shared some of this higher-level machine information so that customers can fix something themselves, they have generally gotten themselves into more trouble than they were in to begin with, which makes their machines less productive, so I would agree with that.

**Mr. Sylvain Séguin (President – Fix Network, Canada, Automotive Industries Association of Canada):** I would add that on my site I represent 600 franchisees, whether for collision or mechanical issues. We totally agree with certification programs and training programs, and we actually have three training centres across the country. Unfortunately, as of today, we don't have access to all the repair data. To that point, it's highly important that when the vehicle is fixed, it's fixed as per the OE certification. If we don't have access to that data, I'm highly afraid that some of the vehicles are being fixed without following the right procedure.

That's my point of view on that.

[*Translation*]

**Ms. Viviane Lapointe:** Thank you.

**The Chair:** Thank you very much, Ms. Lapointe.

Mr. Lemire now has the floor for six minutes.

**Mr. Sébastien Lemire:** Thank you, Mr. Chair.

Ms. Baker and Mr. Séguin, the arrival of electric vehicles on the market must be seriously disrupting your industry, because the mechanical design of an electric vehicle is of course very different.

In terms of interoperability, are there currently any design features of electric vehicles that could complicate repair and maintenance?

• (1235)

**Mr. Sylvain Séguin:** Yes, definitely.

Today, only 30% of the vehicles we repair in our network are equipped with advanced driver assistance systems, called ADAS.

There are going to be more and more electric vehicles, and the new technologies involved will engender huge costs to the networks, for safety, equipment and training. Furthermore, the networks are not yet ready to meet demand. There is already a significant shortage of labour and equipment. The investments, certifications and training required will, in the very near future, further limit capacity and increase costs and turnaround time.

**Mr. Sébastien Lemire:** As a result, could an industry like yours be threatened by the increasingly sophisticated systems being used by vehicle manufacturers?

**Mr. Sylvain Séguin:** The profitability of independent repair shops and entrepreneurs, whether in regional communities or in big cities, is truly overstretched.

**Mr. Sébastien Lemire:** You've anticipated my next question, which is about finding services in the regions. What happens if no one in a particular region is authorized to do repairs?

**Mr. Sylvain Séguin:** Having to take vehicles to a location where there are certified repair shops would lead to transportation costs that our industry would certainly not survive, not to mention the harm to the environment.

**Mr. Sébastien Lemire:** I am going to get my colleague, Mr. Généreux, to smile by saying that I own an electronic vehicle and I receive all kinds of information on my telephone about using it, as well as a monthly report. I also receive alerts telling me when such and such a repair needs to be done. According to the current provisions of the Copyright Act, you could never get access to that sort of data.

Could a bill like the one we are studying at the moment open the door to stronger competition and better service quality, particularly in regional communities?

**Mr. Sylvain Séguin:** Yes, of course.

It's extremely important for us to have access to all the data we need to repair vehicles. What you referred to is of more concern to the manufacturers. But if the repair shops had access to the data, the quality of services available to consumers would definitely improve.

**Mr. Sébastien Lemire:** Your answer leads me to wonder about the consumer's point of view. When the auto industry protect its data, customers will may well have to pay more, because the dealerships are creating a form of monopoly, and the consumer will end up with a bigger invoice. Am I wrong?

**Mr. Sylvain Séguin:** You're absolutely right. It something that has already happened.

I'll give you an example. Without enough certified repair shops to repair all makes of vehicles there are additional delays. When a person has a car accident, the insurance company may offer them a courtesy or rental car, but only for a specified maximum period. Today, what often happens is that this period is too short, and the consumer has no choice but to pay for a replacement vehicle.

**Mr. Sébastien Lemire:** What about emergency vehicles, like the ones used by firefighters? Could the inability to find a replacement part needed to make a repair create a problem in terms of safety, particularly in regional communities?

**Mr. Sylvain Séguin:** Definitely. If an ambulance needs to be repaired, but there are no manufacturers or certified repair shops in the region, it will lead to transportation delays and additional costs.

**Mr. Sébastien Lemire:** Bills can always be improved. Do you feel there are some aspects of the bill that should be amended or improved? If our goal is to protect the consumer, then we should take special care to ensure that the application of the bill would allow competition to develop.

**Mr. Sylvain Séguin:** Absolutely. We believe that it's essential to have trained and certified technicians to repair vehicles. What we want is access to the information we need to properly train our members and our franchisees.

• (1240)

**Mr. Sébastien Lemire:** What do you say to industry people who argue that this could have an impact on safety and the environment?

**Mr. Sylvain Séguin:** I'm much more worried about safety now, when we don't have access to the data. These days, manufacturers don't have the capacity needed to repair all their all their vehicles. This means that independent shops are repairing vehicles without having access to crucial data. I believe that safety is more jeopardized now than it would be if we had access to the right information.

**Mr. Sébastien Lemire:** That's even more so when there is a labour shortage.

Thank you very much, Mr. Séguin.

**Mr. Sylvain Séguin:** Thank you very much.

**The Chair:** Thank you very much, Mr. Lemire.

I'm giving the floor to Mr. Masse now, for six minutes.

[English]

**Mr. Brian Masse:** Thank you, Mr. Chair, and thanks to our witnesses.

It's good to see you, Mr. Adams, even though I'm virtual. We've known each other for a long time.

I want to ask this question, starting with your association: Do all of the participants in your association share the same information and provide the same access in Canada as they do the United States, the European Union and Asia? Does, for example, Honda provide identically the same things in Canada as it does as in the United States, Asia and the European Union?

**Mr. David Adams:** I can't speak with regard to Asia or the European Union. I can speak with regard to the United States, though, and my understanding is that yes, that's the case.

**Mr. Brian Masse:** Here's what I get. I get a lot of questions from dealers and so forth. Maybe I'll go to Mr. Drury with that, because we do have the CASIS agreement, and I'll come back to Mr. Adams and Ms. Baker on that later.

You say it's a solution in search of a problem. However, we have three major political parties with legislation that deals with the aftermarket. Why do you think this is coming to us, and why do you think so much concern has been raised in Parliament about this if you think there is no problem whatsoever? Is it that we've been duped?

**Mr. Craig Drury:** No, I don't think you've been duped. I do think that in some situations, we as dealers could do better in terms of dealing with machines that are down in rural areas, for example.

I know that in our business, more than half of the parts that we sell go directly to the customer for them to put on themselves, as an example. We are supporting—

**Mr. Brian Masse:** But you're saying it's a solution in search of a problem. I'd like to know what you think has brought you to this table here if there is no problem whatsoever, and why three major political parties have bills to deal with this issue.

**Mr. Craig Drury:** There are two things. First of all, we do support the right to repair. We are supporting our customers with the information and parts to repair machines themselves. That's number one.

Number two is where the problem that comes is in the unintended consequences of allowing our customers certain access to the machines—

**Mr. Brian Masse:** I understand that position, but that doesn't explain why we're here. I understand the position you submitted, but I think that it's a pretty difficult thing to accept at Parliament Hill when you say that it's a solution in search of a problem. We're here for a reason.

I'm going to go back to the CASIS example, then.

Mr. Adams, what are the consequences if you have a member who does not want to comply with CASIS? Can you confirm that every single one of your members complies in the same way?

**Mr. David Adams:** I can't confirm that every one of my members complies in the same way. In terms of consequences, I think what we have established is that the agreement has been working well for the last dozen years. The incidents of people saying they can't get service and repair information have been few and far between.

**Mr. Brian Masse:** That's not what I'm hearing, just so you know, and we'll get more testimony, hopefully, about those things. I'm glad you're here to say that.

Do you feel that CASIS needs to be updated or made mandatory and maybe have some consequences? Right now we have a good example in Tesla. They don't even participate. How do we deal with that issue in others that are coming into the market?

**Mr. David Adams:** When we set CASIS up a dozen years ago, I think that was an issue that we recognized we were going to have to deal with down the road, as is security information, for instance. I think you know, Mr. Masse, that security information was not part of the CASIS agreement, because we had no mechanism to be able to deal with it in Canada at the time.

Two years after CASIS was established, we did establish a vehicle security professional mechanism that was better than in the U.S. Then what happened was that the individual who was tracking all that for the aftermarket unfortunately passed away, and there was a gap in the system, and there was no way to address it. Canadians no longer enjoy that opportunity.

• (1245)

**Mr. Brian Masse:** I'll go over to Ms. Baker.

One of the things that I'm concerned about.... I have a dealer. I go to a Ford dealership. I also go to the aftermarket as well. I can tell you that I hear enough testimony from people who can't get the information, and I've actually been the victim of that.

What does it say to young people who want to get into this profession in the future? As vehicles change, one thing I'm concerned about is that the dealers know that they can't perform all the maintenance and the types of things that are necessary, and the aftermarket is critical.

I'm concerned about young people who are investing the cost of education and their time and then getting into an unstable market. That's one of the reasons I think that the CASIS agreement needs at least either modernization or enforcement.

**Ms. Alana Baker:** I agree on CASIS. Again, this is an agreement that is now outdated. It's over a decade old, and information access must keep pace with the advancements in technology. Today we see automotive professionals who are dealing with vehicle systems and components that simply did not exist back in 2009 when CASIS was created.

Contrary to what you are hearing, CASIS does not work and it does not solve the problem, for a number of reasons.

First, it's not enforceable. There's no legally binding enforcement mechanism in place.

Second, as you mentioned, automakers are not required to participate, and some, like Tesla, do not.

Third, it applies to on-board diagnostic systems, or OBD. This is a technology that's becoming outdated. Again, an example is Tesla. Some Tesla models do not come equipped with standard OBD equipment. CASIS doesn't apply to vehicle telematics systems, which I spoke to earlier. This is a technology that's found in 60% of vehicles worldwide, and it will be in an estimated 95% by 2030.

Last, I would say that the agreement provides a framework for automakers to share repair information with the auto care industry on a level equivalent to that of their authorized dealers; however, some automakers have moved to a direct sales model, so that eliminates the traditional dealers altogether, along with their obligation to independent automotive shops.

**Mr. Brian Masse:** Yes, and that's what I wanted to follow up with. All you're asking for is to be treated fairly and consistently, which has been the past practice, the norm, for this country, before requiring the aftermarket voluntary agreement. You're not asking for anything special. You're not asking for anything free. You're not asking to be unaccountable. You just want a proper, transparent, consistent process. Is that correct?

**Ms. Alana Baker:** That is correct.

As per the CASIS agreement, independent auto care shops are prepared to pay commercially reasonable prices for repair information. We did see a 2019 survey of independent auto care shops across Canada. It found that just shy of 90% of respondents purchased some type of subscription.

Independent shops just simply want to have the right to fix the vehicle. No one is asking for anything free or for government hand-

outs. They will pay for the training and the access to information. What they don't want is to have to pay a dozen different OEMs a dozen different fees. It would be more effective and efficient to have a centralized control for this information.

**Mr. Brian Masse:** Yes. I come from the auto sector, where, ironically, OEMs have actually received significant public financing and support in the past and also for the future for the innovation we're doing. The public is actually vested in these great operations that we do have in our country.

[*Translation*]

**The Chair:** Thank you Mr. Masse and Ms. Baker.

Mr. Génèreux, you have the floor now for five minutes.

**Mr. Bernard Génèreux:** Thank you, Mr. Chair.

Thank you, witnesses, for being here and for your very interesting testimony. It's very important for us to hear everyone's point of view.

Ms. Baker and Mr. Séguin, what about warranties? That's something that really interests me.

When you buy a vehicle, it usually has a warranty for something like three, four or five years. You can also purchase an extended warranty on certain types of vehicles.

If someone has their car repaired somewhere other than from where it was purchased, or from the dealership, what's the status of warranties at the moment?

In the future, what will happen to this warranty if a third party repairs the vehicle using original parts? It's important to specify that, because there are also aftermarket parts. Do you think that the warranty will still be valid?

• (1250)

**Mr. Sylvain Séguin:** At the moment, there are certification programs for that. Many manufacturers participate. They supply the information and support training to ensure that vehicles are repaired in accordance with manufacturer's specifications. It works very well.

I'd like to raise another point, however. After a collision, the dealership doesn't necessarily have what it takes to make body repairs. In such instances, the dealership signs an agreement with an independent body shop or with one of our members for things like body or rust repairs. There are never any problems from that standpoint, and the person carrying out the repairs always has access to the manufacturer's standards for the particular vehicle to be repaired. As I mentioned, many manufacturers work with us and provide us with that information. Unfortunately, some do not, and that's where a problem arises.

As for warranties, provided that repairs are made in accordance with manufacturer specifications, the warranty is approved.

**Mr. Bernard Génèreux:** In other words, the warranty remains valid.

**Mr. Sylvain Séguin:** Yes, that's right.

**Mr. Bernard Généreux:** Okay.

For a century, basically ever since it was invented, the automobile has evolved enormously. We are inevitably headed into a time when all cars will be using the new technologies. In fact, that's already the case for virtually all of them. As you mentioned, cars are computers on wheels.

Personally, I have my car repaired two minutes away from where I live. I go to the local mechanic, who took the shop over from his father, and is trying to keep his garage going as best he can. I've never asked him, but I would imagine he's a member of an association like yours and that he undergoes training.

As we know, new technologies are going to be used at one point or another. As Mr. Miao, the sponsor of the bill, said earlier, even his refrigerator has become a four-legged computer. I don't understand how it's going to be possible to repair all these cars that have become computers on wheels without the essential information.

**Mr. Sylvain Séguin:** I agree with you. It's important to have information, but also to have training.

I can tell you that your corner garage owner has to be trained and have the equipment required to be able to repair vehicles. However, access to this information should be available at a reasonable price. In a manner similar to what Ms. Baker was saying earlier, a somewhat more general certification program should be available rather than having each manufacturer using their own tools and equipment, thereby generating higher and higher costs.

I had a conversation with a manufacturer last week. He told me that only 30% of his vehicles, following a collision, were repaired in accordance with manufacturer specifications, because there wasn't enough capacity and the program is extremely expensive.

I can understand a manufacturer wanting to control marketing aspects, but without readier access to the training and equipment needed, the kind we are asking for now, it will become difficult to repair vehicles properly.

**Mr. Bernard Généreux:** Mr. ...

**The Chair:** Thank you very much, Mr. Généreux. I have to interrupt you because we're running out of time.

I am now giving the floor to Mr. Gaheer for about three minutes.

[English]

**Mr. Iqwinder Gaheer:** That's great. Thank you, Chair.

Thank you to the witnesses for making time for the committee.

My question is for Mr. Drury.

You said this bill could threaten important environmental gains by circumventing embedded restrictions or permitting unseemly engine modifications or providing more horsepower than what's recommended.

My question is this: Aren't there other regulations or laws that prevent this from happening? Certainly the Copyright Act can't be the only thing standing in the way. If someone's already violating

these laws and regulations, then what's this bill going to change if they're already violating it?

**Mr. Craig Drury:** You're right. They are already violating it. We just feel that this is going to make it easier and proliferate the problem.

**Mr. Iqwinder Gaheer:** Do you agree that there are other laws and regulations in place that prevent that from happening?

• (1255)

**Mr. Craig Drury:** Yes.

By the way, we do agree that with some consumer products, that makes sense. If you can keep these things running, keep phones and stuff from going to landfill, then we're all about keeping those going. In our particular industry, we are trying to keep the machines running into a 20-year life cycle. We need them repaired.

**Mr. Iqwinder Gaheer:** Thank you.

We know that, for example, calibration procedures for advanced driver assistance systems can be very costly on vehicles. Some Audis, for example, require an eight-hour calibration process. If we applied a cost per hour of \$125, that implies a cost of over \$1,000.

I think Mr. Masse raised the point of the reason we are here today. Wouldn't you agree that the reason we're here today is costs? Compared to independent repair shops, dealerships charge consumers 36% more for repairs.

That's a question for all the witnesses.

**Mr. David Adams:** Maybe I could start.

If you look at the representation in the marketplace currently in terms of installed market parts, you see that dealers have 28% of that market. The aftermarket has 59% of that market. In terms of DIY parts, the dealers have 4.5% of that market. The aftermarket has 67.6% of that market. If you look at just the composition of the market right now and the growth in the market, you see it's not an issue of whether or not there's competition out there. There's clearly competition.

The questions were posed earlier: What are we all here for? What are we all concerned about? I think fundamentally the issue is more about the future and what's going to happen in the future. It's concerns about that. I think everybody in the automotive industry shares the concern about what's going to happen in the future, because technology is changing so rapidly, whether you're a manufacturer, a dealer of that manufacturer or part of the aftermarket.

The solution is not to put in place a bill such as the one we're talking about today, which opens up not just the consumer but society as well to far greater risks associated with cybersecurity, safety and emissions. That was already mentioned.

**Mr. Iqwinder Gaheer:** I think you already answered this question earlier. To reiterate, you would support this bill, with certain modifications that would address your concerns.

**Mr. David Adams:** If you can find a way that's going to address the cybersecurity concerns....

Let me put it another way. If the automotive aftermarket is prepared to accept all of the liability associated with those rights that you are suggesting, then that's an entirely different equation.

Right now what happens in lots of cases is that vehicles will go to the aftermarket for repairs. The consumer doesn't go back to the aftermarket dealer when they have a problem with their vehicle; they go back to the manufacturer. How do we have a record of all of the servicing on that vehicle when that information is not shared between the aftermarket dealer and the manufacturer?

We're all for the ability of the consumer to get their vehicle repaired, but the rights and liabilities need to be balanced.

**Mr. Iqwinder Gaheer:** Yes.

Ms. Baker, I'm wondering if you would agree with this statement: "OEMs have increasingly and will continue to resort to [use designs and] design...rights to raise prices to consumers, prevent competition, and threaten the viability of the aftermarket in exterior automobile repair parts." Do you want to expand on that?

**Ms. Alana Baker:** Sure. Thank you for the question.

Let me speak to the cost and affordability piece you mentioned. We already know that Canadians are stretched with increases to the cost of living. I mean, you gave a statistic about dealerships charging 36% more for repairs, which I've also seen. We're happy to share multiple examples from consumers that show that an inability to service the car is resulting in increased costs.

Think about having to tow your car to a dealership. If you're in an accident in Thunder Bay with your Tesla, for example, and you need to have it towed to Toronto, that's an increased cost. It's the same if you're being pushed towards higher-cost OEM parts rather than aftermarket parts. As vehicle technology advances, there is a concurrent increase in the cost to service vehicles. Having consumer choice helps Canadians to access service and repairs at a wider range of price points.

I would also add that independent shops are small business owners. They've invested their livelihoods into these shops. They're family-operated businesses. These are second and third generations, often with a fourth generation coming in. To make it such a burden to offer a service to those within their own neighbourhood who are coming in where they want to do their business, where they have been doing their business for quite some time, and where they feel comfortable.... When they're told that the shop does not have the data to fix it or they don't have access to the technology in the vehicle, it puts the small business jobs at risk and makes their business model struggle.

This is a concern for the future. We know that this is happening, and it's only going to grow.

• (1300)

**Mr. Iqwinder Gaheer:** Thank you.

**The Chair:** Thank you, Mr. Gaheer and Madam Baker.

[*Translation*]

Mr. Lemire, I'll give you the floor briefly if you would like to ask a few questions.

**Mr. Sébastien Lemire:** I have only one, actually.

When there's an accident, firefighters and emergency services need to know how to disconnect batteries, among other things. The problem is that these mechanisms are now very different from one car to another. It's no longer like traditional mechanical construction.

Mr. Adams, what would you suggest to remedy this problem of addressing safety issues in emergencies?

[*English*]

**Mr. David Adams:** I think you're absolutely right, especially with electrification. There's high voltage on the vehicle. The first responders need to be trained in how to deal with that technology on the vehicle when they arrive. There are protocols that have been put in place by a number of different agencies to ensure that those first responders are trained when they come to the vehicle and do know how to address high-voltage situations in electric vehicles.

[*Translation*]

**Mr. Sébastien Lemire:** Thank you.

**The Chair:** Thank you very much, Mr. Lemire.

Go ahead, Mr. Masse.

[*English*]

**Mr. Brian Masse:** Thank you.

Mr. Adams, what improvements do you think could be made to CASIS? What's working good and what's not working so good?

**Mr. David Adams:** What's working good is that we have a mechanism in place to ensure that the information is shared with the aftermarket. Each one of the CEOs from the member companies at the time signed off that they would provide that information and make that information available. I think the points that we've all made around the table are that vehicles have become more complex and will become more complex going forward.

I think the opportunity that CASIS affords is that it is a voluntary agreement, meaning that's it's evolutionary and can be changed, as opposed to having to change the legislation.

**Mr. Brian Masse:** What changes, though? We're getting lots of complaints, so I'm asking out of sincerity about changes.

If you think it's all working perfectly, then there's no reason that we'd even need to be here. We knew that electrification and the data management stuff would be an issue, but are you actually saying that CASIS, aside from that, is working perfectly, is working well enough for everybody, and is consistent enough to stay the same?

**Mr. David Adams:** No, I don't think I said that. I think we can always make improvements. I think that's what we've been asking the aftermarket folks who are part of the task force with us for the last five or six meetings that we've had: Tell us specifically what is wrong, what challenges you're trying to find solutions to, and we'll gladly help work through those. Our door is open. We've maintained that we're prepared to work on the agreement.

**Mr. Brian Masse:** Okay. Maybe at some point we should bring CASIS to light, I think, and the agreement. It may be helpful for all of us at Parliament here to do that.

Thank you very much, everyone, for your testimony. It's appreciated.

**The Chair:** Thank you, Mr. Masse.

That concludes our second hour of questioning.

I want to thank all our witnesses for joining us today.

[*Translation*]

Thank you for having taken the time to talk to us about Bill C-244.

I would also very much like to thank the interpreters, the analysts, the clerk and all the support staff.

With that, the meeting is adjourned.

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