



Vehicle Telematics

Protecting consumer privacy and access to a competitive vehicle repair market

Background: Similar to homes and businesses, wireless technology is quickly becoming an important part of the “smart” connected vehicle. Referred to as telematics, this technology is providing motorists with remote access to a wide range of entertainment and information services within their vehicle, including navigation, traffic, email, web browsing, social media and travel assistance. Furthermore, telematics will likely provide significant safety benefits through use of technology that enables vehicles to communicate with each other and with the roadway network, as well as quickly communicate the need for emergency or breakdown assistance to the appropriate authorities.

Telematics also plays an important role in the repair and service of motor vehicles. This wireless technology permits remote monitoring of the health and safety of a vehicle’s systems while it is both on the road and in the garage. A vehicle’s telematics system has the ability to wirelessly receive services and software updates as well as send information regarding a vehicle’s operational status in real time. Telematics permits a vehicle to alert a driver or car owner that maintenance is required, whether it is an oil change or a new timing belt, often times before a failure even occurs. It can help the owner make an appointment at a service facility or even communicate the data directly to the service provider.

The promise of telematics is that it will make car owners safer, more productive and lowers the cost of vehicle ownership. Rather than guess at what a “check engine” light means, the telematics system can send diagnostic information to a technician who can immediately diagnose the problem and advise the car owner on their options. Smart phones can interface with cars to unlock doors, check battery life or inform the owner of a leaky tire. Parents can remotely monitor their children’s driving habits. Stolen cars can be tracked and disabled by their owners or the police. The possibilities are endless. However, all these applications create certain challenges when it comes to security, privacy and the right for consumers to select their vehicle service providers.

Issue: While the development of vehicle telematics presents clear benefits for the motoring public, it also raises significant privacy concerns for car owners and could impact the availability of competitive vehicle repair. Central to these concerns is that the car owner has no control over where the information generated by their vehicle is being sent. In fact, as original equipment telematics services are currently configured across new vehicle manufacturers, all information generated by vehicles’ telematics systems, including repair information and GPS data, is sent directly to the manufacturer, providing them with the opportunity to direct service business to their franchised dealers. In most cases, car owners do not have the option of choosing where any of the information from their vehicle is transmitted, nor do they have a clear means to turn off the transmission of data. Depriving drivers of choice in service and degrading competition in auto repair threatens to raise costs for consumers and threaten the viability of the independent auto care industry, which is an important cog in the American economy.

Solution: In light of the unprecedented power of telematics technology to access driver and vehicle information, it is critical that once a vehicle is purchased by an individual, the car owner, not the car company, should determine where the information from those systems is sent, if to anyone. Such action is needed to uphold consumers' expectation of privacy and choice regarding their personal data and to maintain a healthy competitive landscape for vehicle repair.

Therefore, requirements must be put in place that:

- Clearly define that the information extracted by a telematics system is the property of the car owner and cannot be accessed by others, including the manufacturer of the vehicle, without prior approval;
- Require car owner consent and choice on where information from their vehicle is transmitted so as to ensure consumer control over the privacy and use of personal data generated by a vehicle;
- Mandate that new car manufacturers build telematics systems with the capability to communicate data using a standardized interface* such that the information can be read and used by the car owner as well as whichever service provide the vehicle owner so chooses; and,
- A vehicle's telematics system should be open to free competition and be accessible to all independent providers selected by consumers in a non-discriminatory manner.

Conclusion: Today, when vehicles need repair, their owners often have limited knowledge as to what exactly is wrong and what options are available for repair. When given private access to a telematics system, the consumer can choose to send data from their vehicle to a technician or an automated web site that can provide insights and options, before bringing the vehicle in for service. As of now, few consumers have competitive choices with their telematics systems and, when making an initial purchase of vehicle or other electronic device, are often left with nothing more than a "take or leave it" option. In order for this country to fully benefit from the great promise of this technology, it is imperative we empower the consumer. It is their car, their data, their choice.

* This action would ensure a full range of choice for vehicle owners; and spurring innovation by incentivizing software firms to develop imaginative approaches for vehicle management.