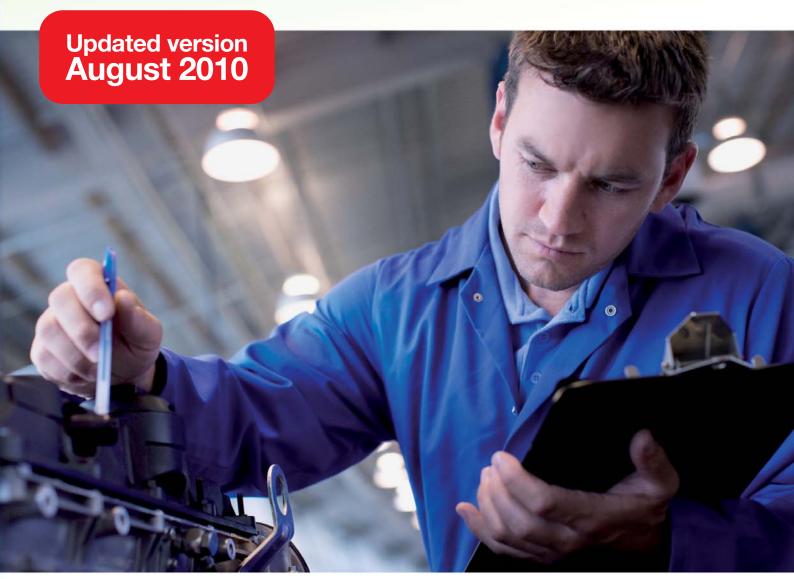
THE "EURO 5/6" COMITOLOGY AMENDMENTS ON VEHICLE REPAIR INFORMATION

FOR STRONG SMEs IN A COMPETITIVE AUTOMOTIVE AFTERMARKET















Explanatory brochure on the proposed Commission

Amendments to Regulations N° 692/2008 and N° 715/2007

Supported by:



UNEQUIVOCAL PARTS IDENTIFICATION

EQUAL OPPORTUNITY FOR ALL MARKET PLAYERS

TODAY'S VEHICLES - VARIETY OF MODELS AND VARIANTS

Due to technical progress and a growing number of vehicle types and variants, the parts and components used in vehicle assembly are increasingly complex and difficult to identify. Different types of vehicles need different types of replacement parts and even within the same model, parts may differ. For instance, it is no longer sufficient to indicate that there is e.g. a brake pad for "The Volkswagen Golf model 2007", because different 2007 Volkswagen Golfs may require different brake pads. Therefore, it has become increasingly problematic for even the most highly skilled and trained repairers to identify the suitable replacement parts for a specific vehicle.

WHY IS UNEQUIVOCAL PARTS IDENTIFICATION SO IMPORTANT?

Unequivocal identification of parts, systems and components is crucial in the independent aftermarket not only for the correct repair and maintenance of the vehicle. It is also essential to ensure the delivery of the correct parts from the parts producer and the parts wholesaler to the workshop.

If the workshop does not have access to the correct data on the component used in the respective vehicle to be repaired, the wrong replacement parts may be delivered and fitted, which is a threat to car safety and environmental compliance. If a part is fitted whose specifications do not exactly meet the functional and physical requirements, the vehicle's safety and integrity can be compromised, and product and service liability is affected.

WHO NEEDS UNEQUIVOCAL PARTS IDENTIFICATION?

The entire multi-brand aftermarket chain needs it. Parts producers must be able to accurately reference their products. Publishers must be able to create accurate independent multi-brand parts identification databases and parts catalogues. Parts distributors must be able to identify parts rapidly and clearly and to deliver them without supply errors. Workshops must be able to carry out the repairs efficiently for the benefit of the motorist consumer.

HOW TO ENSURE UNEQUIVOCAL PARTS IDENTIFICATION?

The identification of the correct replacement parts is based on the information about which part is fitted in the vehicle - the original equipment (OE). The only way to determine exactly which particular part is currently built into the vehicle is to clearly identify a part, system or component by its vehicle manufacturer's OE parts number which is related to the unique Vehicle Identification Number (VIN) of each vehicle.

WHAT IS 'PARTS IDENTIFICATION DATA'?

Parts identification data is a set of information (a correlation of numbers) which attributes a spare part (as identified by the vehicle manufacturer's original spare part number) to a specific vehicle (as identified by its VIN number). It is the relationship between the VINs and the allocated vehicle manufacturer's OE spare parts numbers in a digital form, which enables access to and processing of the data with standard IT systems.

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DOES THIS DATA ALREADY EXIST?

Yes. Vehicle manufacturers do compile this kind of information for the production of their own spare parts catalogues. Many manufacturers offer VIN-based search engines, with which suitable parts for a vehicle can be identified. A parts catalogue could hardly exist if the vehicle manufacturer did not have data on the relationship between the VIN of a vehicle and the parts suitable for it. Moreover, vehicle manufacturers do provide the parts identification data to service providers such as Lexcom who is operating a multi-brand Internet system for the sale of OE parts (www.partslink24.com). Thus the data as requested by the multi-brand aftermarket can be released without significant effort.

WOULD VEHICLE MANUFACTURERS HAVE TO COMPLETELY Vehicle manufacturers change their original parts and components (and consequently the OE-spare part numbers) frequently. This may be due to product development, logistical or commercial reasons such as changing an OE supplier. Vehicle manufacturers do normally not communicate these changes to the independent aftermarket. Where independent operators are not aware of these changes or "silent recalls", they are in danger of supplying or IS A STANDARDISATION ENVISAGED? using unsuitable parts or components. approval legislation, this process is currently ongoing. **AS AUTHORISED DEALERS?** There is a difference, mainly in form. The current parts identificato be repaired. However, this case-by-case access mode is not at all suitable for **DATA OR SPECIFIC KNOW-HOW?** quence of the EU's product safety legislation. WHY IS THIS AMENDMENT NEEDED NOW?

CHANGE THE STRUCTURE OF THEIR PARTS DATABASES?

No. Parts identification data does exist as a basis for vehicle manufacturers' spare parts catalogues. Vehicle manufacturers may make this data available in their own proprietary format. As such, the information need not be presented 'tailor-made', though it must be given in an easily accessible manner. Independent operators have ample experience of using modern data processing technologies, which make it possible to process large amounts of data securely. Moreover, vehicle manufacturers are allowed, under the Euro 5/6 Regulation, to require the payment of a reasonable fee.

Standardised access to repair and maintenance information is one of the core elements of the Euro 5/6 Regulation. As such, it is envisaged to mandate the European standardisation body CEN with the development of a 'common structured process' for the exchange of the parts identification data. Actually, for the access to technical information already contained in the Euro 5/6 type-

WHY IS IT NOT ENOUGH TO GET "THE SAME INFORMATION"

tion is tailored to the retail (workshop) level on the basis of an individual repair job at hand where a vehicle with a known VIN has

other aftermarket operators, such as parts producers, publishers and parts distributors. They have to offer their products and services in a multi-brand environment and in a business which implies repeated use of data. They need the parts identification data in bulk and in an electronically processable form.

WOULD VEHICLE MANUFACTURERS HAVE TO REVEAL CONSTRUCTION

No. The amendment is about identifying the correct spare parts for each vehicle. It has nothing to do with the design or manufacture of vehicles. The vehicle's identification number (VIN) is just a product number, which enables the traceability of a "complex product" in case of a construction default and consequent recall action, as is obligatory in EU member states as a conse-

The current amendment is needed to adapt the parts identification methods to technical progress and to pass to an electronic, state-of-the-art processing method based on the relation between the VIN and parts numbers. Vehicle manufacturers themselves use this VIN-OE parts number link to increase the efficiency in their own parts ordering systems. The refusal to grant access to this unequivocal parts identification method leads to a discrimination and foreclosure of independent operators. The current amendment is needed to create a level playing field for all businesses operating in the automotive spare parts market.



TO WHICH VEHICLES DOES THIS DATA APPLY?

According to the scope of the Euro 5/6 Regulation, the information to be provided only relates to newly type-approved vehicles and not retrospectively to the entire vehicle park. New vehicle types are ever more complex, which is why parts identification has become particularly challenging with recent models.

WHY SHOULD 'PARTS IDENTIFICATION DATA' BE AN ISSUE FOR THE EUROPEAN LEGISLATOR?

Independent aftermarket operators have repeatedly asked for access to this modern parts identification, but have been constantly refused by vehicle manufacturers. As the vehicles' safety and integrity are at stake when they refuse to release the correct parts identification, vehicle manufacturers' refusal to supply the relevant data becomes a matter of the European legislator. It is no longer a matter of letting vehicle manufacturers decide whether it suits their business model to grant access to this data or not.

The Euro 5 Regulation contains the requirement that technical information is to be made available to all independent automotive market operators, including parts producers, publishers and independent parts distributors. This is why the Commission introduced the clarification in the current Comitology procedure.

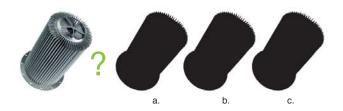
WHO SUPPORTS THE COMMISSION'S AMEND-MENT?

European sector organisations representing the entire automotive aftermarket chain, notably the suppliers of automotive components (CLEPA), the wholesalers of replacement parts (FIGIEFA), body repairers (AIRC), independent and authorised repairers (CECRA), garage tools and test equipment manufacturers (EGEA) as well as the motoring consumers' association (FIA). Altogether, these organisations represent more than 830.000 enterprises employing 4.6 million people across Europe as well as 34 million motoring consumers affiliated to motoring and touring clubs.

WHY ARE THE RULES OF THE NEW COMPETITION LAW FRAMEWORK NOT SUFFICIENT?

The competition law Guidelines for the automotive sector state that "parts codes and any other information necessary to identify the correct car manufacturer-branded spare part to fit a given individual motor vehicle" should be made available. Yet the text remains silent on how access should be given. This makes however all the difference between a workable or unworkable solution.

The legislation would fail to be effective in practice if entire categories of market operators were not given the opportunity to offer their products and services in an efficient multi-brand environment. This is why parts producers, publishers and parts wholesalers need to not simply get 'easy' access to the vehicle manufacturer's database, but rather to read-out and retrieve multiple sets of data in one request.



...it has become increasingly problematic for even the most highly skilled and trained repairers to identify the suitable replacement parts for a specific vehicle.

THE AUTOMOTIVE AFTERMARKET WITHOUT ACCESS TO PARTS IDENTIFICATION DATA

The current lack of transparency in parts identification creates an undue impediment of competition to the benefit of vehicle manufacturers. The Commission's amendment would remove the present competitive disadvantage with which independents are faced today, by allowing them to identify accurately the spare parts needed. When it comes to parts, repair and maintenance information, vehicle manufacturers should not be allowed to abuse their monopoly power.



THE CONSEQUENCES OF THE NON ACCESS TO THE PARTS IDENTIFICATION DATA WILL INCLUDE:

IMPEDING THE COMPETITIVENESS OF PARTS PRODUCERS

Without access to the parts identification data, Original Equipment (OE) suppliers and independent parts producers risk losing their independent aftermarket businesses. They would not be in a position any longer to supply freely their products independently from the vehicle manufacturers. However, this part of their activity is particularly important as the aftermarket turned out to be a stabilising factor in the current economic crisis. In particular OE suppliers would become dependent on vehicle manufacturers.

DRIVING PARTS WHOLESALERS OUT OF THE MARKET

Parts wholesalers play a key role in the supply of spare parts for multi-brand and independent repair shops. Throughout the entire European Union and especially in remote areas where personal mobility is essential, their logistic systems and delivery services must ensure the supply of parts in a timely and accurate manner. Without access to parts data, the supply of multi-brand products and services would be threatened thus inevitably engendering a loss of customers.

CUTTING OFF AN EFFICIENT SUPPLY SOURCE FOR WORKSHOPS

Without a true alternative for the supply of replacement parts, independent and authorised workshops would be forced to buy their spare parts from one unique source, the vehicle manufacturer, at monopolistic prices.

HINDERING CONSUMERS' FREEDOM OF CHOICE

Vehicle owners too would suffer from the sole availability of replacement parts from one source. Their right to choose where and how to have their vehicles repaired would be seriously impaired.

The automotive aftermarket is a chain; its members play a key role in maintaining affordable mobility for 260 million motoring consumers in Europe. Ensuring unequivocal parts identification for all independent aftermarket operators is a crucial element in guaranteeing true competition in the market while maintaining the safety and environmental performance of vehicles throughout their lives.

Mobility is at the heart of the fundamental freedoms guaranteed by the EU Treaty, and thus at the heart of the European Union. In particular, road transport is essential for social interaction, commuting to the workplace or the reliable distribution of goods. In order to provide these benefits to the economy and individual citizens alike, mobility must be affordable.

Affordable mobility largely depends on the motorists' ability to have their vehicles serviced and repaired at reasonable cost – and this throughout the entire life-cycle of a vehicle. Each year, EU motorists spend approximately 180 billion Euros on components and services (i.e. including labour) for their passenger cars. Obtaining a good deal on replacement parts, maintenance and repair services can make all the difference between affordable and unaffordable mobility.

Effective competition on each distribution level of the automotive aftermarket is essential when it comes to fostering innovation and keeping mobility affordable.

European consumers must be free to have their vehicles serviced, maintained and repaired at a workshop of their choice. They have an impact on price levels where they can choose between different providers of aftermarket services and parts, which actively and fairly compete with each other by offering high quality at reasonable cost.

Independent, multi-brand market operators play a vital role in providing these competitive after-sales services, provided that they have open, non-discriminatory access to training, multi-brand test equipment, parts identification methods, technical information, and replacement parts.

The Euro 5/6 Regulation has already clarified access to technical information, but right of access to the correct parts identification data, validation of Vehicle Communication Interfaces (VCIs), access to the vehicle's electronic service history, and work units are currently challenged by vehicle manufacturers.

To bring a solution to this question, and to ensure that all independent aftermarket operators may access the precise information needed to carry out repair and maintenance works successfully, the European Commission has presented amendments to Regulations N $^{\circ}$ 692/2008 and N $^{\circ}$ 715/2007 in the current Comitology revision .



