



Sector Specific Legislation for Access to In-vehicle Data *Frequently Asked Questions*

1. What is the purpose of the Data Act?

The Data Act, adopted this year, aims to empower consumers within the data economy by granting them the right to share data with third parties. This initiative seeks to enhance consumer participation while fostering innovation in data-driven business models.

2. The Data Act sounds good. So why is sector-specific legislation needed?

While the Data Act rightfully emphasises consumer empowerment, it does not establish the competition and innovation necessary to provide consumers with meaningful choice. It fails to provide the necessary access to in-vehicle data for third parties (or independent service providers) to create innovative business models, lacks standardisation, and does not ensure adequate transparency for substantial market growth. In summary, the Data Act will have no impact on the automotive sector without complementing regulation.

3. Why is there a need for greater competition and innovation in the automotive sector?

Modern connected vehicles' data remains primarily controlled by vehicle manufacturers. Presently, vehicle manufacturers only provide third parties with limited and inconsistent access to data sets. Consumers therefore miss innovative services and the financial benefits of greater competition in price and performance. This underscores the critical importance of automotive sector-specific legislation (SSL) to establish fair competition rules, which in turn, will spur the swift development of data-driven services and rapid technical solutions, ultimately benefiting consumers.

4. Why not wait to assess the impact of the Data Act before introducing sector-specific legislation?

Waiting to assess the impact of the Data Act is not practical because the Act has a limited scope and minimal reach. Moreover, the current market advantage held by vehicle manufacturers, coupled with their collaborations with hyperscalers (large technology companies like Amazon Web Services and Google Cloud that operate extensive data centres), underscores the urgent need for sector-specific legislation, creating a level-playing field and allowing for many more players, including SMEs, to develop and deploy services utilising in-vehicle data.

5. What should the SSL regulate, specifically?

Transparency: Ensure transparency by providing a comprehensive list of data and functions that third-party service providers can access, regularly reviewed to align with user consent.

Data Security: Ensure data is securely transferred in a digitally processable format from the car to the service provider, while guaranteeing that independent service providers are not obligated to reveal sensitive information to their competitors.

Standardized Rules: Ensure harmonised rules and a governance system that outlines the procedures for data access, safeguards for confidential information and trade secrets, and guarantees robust cybersecurity measures.

6. *What is a concrete example of the impact for the consumer if no SSL is enacted?*

Without sector-specific legislation, consumers may face several real-world challenges. Consider one example involving access to in-vehicle data:

***Example:** Imagine you own a car and want to use a third-party service provider's app for maintenance alerts and personalised driving tips. With SSL in place, these service providers have the right to access the necessary data, ensuring that the app functions effectively. Without SSL, vehicle manufacturers could restrict access to this data, leaving you with the limited option of authorised dealers only. This could result in a less personalised and potentially more expensive driving experience, as you might miss out on valuable insights and services from independent providers. In essence, SSL helps ensure that consumers have a wider range of choices and access to innovative services that enhance their overall experience with their vehicles.*

While the Data Act is a commendable step towards empowering consumers and fostering innovation in the data economy, it falls short in addressing the specific challenges of the automotive sector. The limitations of its scope, standardisation, and competition aspects make sector-specific legislation (SSL) a necessary and urgent requirement. Without SSL, consumers may miss out on the full potential of data-driven services, resulting in a less personalised and potentially more expensive experience. SSL ensures a level playing field, where both consumers and third-party service providers can benefit from a wider range of choices and innovative solutions, ultimately enhancing the overall consumer experience.

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