The Future of Fleet Data

Understanding the EU Data Act's impact on the telematics ecosystem

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1. Executive Summary

This white paper provides a compliance analysis of the European Union's Data Act (Regulation (EU) 2023/254) (the "Act" or the "Data Act") relating to the telematics ecosystem generally and Geotab, as a telematics technology provider, specifically. Geotab is a global provider of fleet telematics solutions, primarily comprising a telematics device connected to the vehicle's On-Board Diagnostics ("OBD") port and related Software-as-a-Service ("SaaS") platform ("MyGeotab"), delivering fleet insights and analytics utilizing aggregated, de-identified and anonymized fleet data. Geotab also ingests vehicle data directly into the MyGeotab platform from Original Equipment Manufacturers ("OEMs") via Application Programming Interfaces ("APIs").

The Data Act introduces harmonized rules on fair access to and use of data, with a core purpose of making data more accessible and usable, thereby encouraging data-driven innovation and increasing overall data availability. This ambition is intrinsically aligned with Geotab's long-standing position regarding ownership and access to raw fleet data. Geotab does not claim ownership of this data; rather, its solutions are designed to facilitate access for end-users (especially vehicle fleet owners, operators, and managers) to valuable vehicle data that might otherwise remain inaccessible. Geotab firmly believes that unfettered access to such data fosters a larger, more vibrant telematics ecosystem where all entities that bring value can benefit and innovate.

The Act establishes rights for users to access and share data generated through their use of connected products and imposes corresponding obligations, typically on businesses designated as 'data holders'. It also regulates business-to-business ("B2B") data sharing, including conditions for making data available and rules against unfair contractual terms. In this evolving landscape, it is integral that OEMs understand their role and responsibilities, often as data holders, within the telematics ecosystem. This understanding is crucial to ensure their compliance with the Data Act, ultimately for the benefit of end-users who rely on comprehensive fleet telematics solutions like those provided by Geotab.

Where Geotab is considered a data holder under the Act, Geotab is well-positioned to comply, leveraging its existing user-centric data policies and functionality. In particular, Geotab's existing policy of not claiming ownership over customer fleet data and enabling users to export their data aligns with the core principles of user empowerment enshrined in the Data Act. While compliance nuances arise in the context of data generated by integrated OEM telematics units, Geotab's products are positioned for compliance with respect to data generated directly by Geotab's devices.

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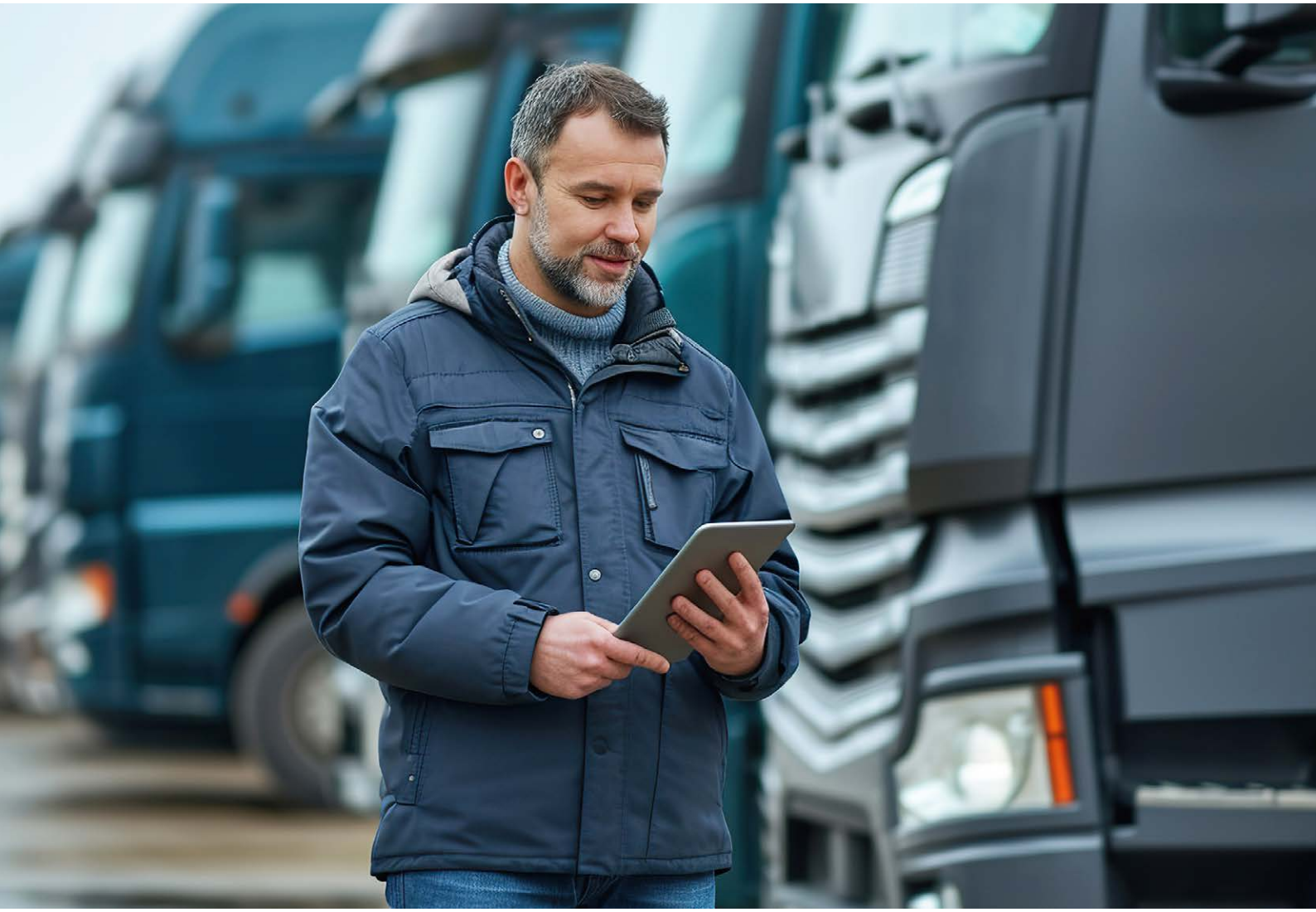
2. Introduction

The Data Act's primary objective is to establish harmonized rules governing fair access to and the use of data across all economic sectors within the EU, specifically targeting the burgeoning volume of data generated by connected products and related services, often referred to as the Internet of Things (IoT).

The Data Act presents a new regulatory framework relevant to the telematics ecosystem generally and Geotab specifically, particularly its handling of data generated by telematics devices and its relationships with both end-users (fleet customers) and third party data suppliers (e.g. OEMs). This analysis considers Geotab's role in handling data from its own telematics device versus data sourced from OEMs, user rights to data access and portability and B2B data sharing obligations.

The automotive industry, increasingly reliant on data as a core asset, potentially faces significant adjustments under the Data Act. Geotab's hybrid data sourcing model introduces specific complexities when mapping the Data Act's concepts of 'data holder' and 'data recipient'. Understanding these roles is fundamental, as the primary obligations of the Data Act fall upon the designated 'data holder'. Furthermore, Geotab's use of aggregated and de-identified fleet data does not impede the user's right under the Data Act to access the underlying raw data generated by their use of the Geotab solution.



3. The Data Act: Key Definitions for Telematics

Understanding the specific definitions provided in Article 2 of the Data Act is crucial for analyzing its application to Geotab's telematics solutions.

'Connected Product'

"an item that obtains, generates or collects data concerning its use or environment and that is able to communicate product data via an electronic communications service, physical connection or on-device access, and whose primary function is not the storing, processing or transmission of data on behalf of any party other than the user".

Application: Geotab's telematics device (connected to the OBD port) clearly falls under this definition as it collects vehicle usage and environmental data (diagnostics, location, acceleration, etc.), communicates this data electronically, and its primary function is data collection for the user (the fleet customer), not general data processing for others.

'Related Service'

"a digital service [...] which is connected with the product [at the time of purchase or subsequently] [...] in such a way that its absence would prevent the connected product from performing one or more of its functions".

Application: While the telematics device might collect data independently, MyGeotab is essential for the user to access, interpret, and utilize that data, forming part of the product's overall function from the user's perspective. The MyGeotab platform qualifies as a related service, although it should be noted that not all Geotab users access and use MyGeotab and instead view fleet data using a third party platform or data aggregation service. MyGeotab is made available to all Geotab customers at no additional access costs beyond the service subscription.

'User'

"a natural or legal person that owns a connected product or to whom temporary rights to use that connected product have been contractually transferred, or that receives related services".

Application: For Geotab, the 'user' is typically the fleet management company or business entity that owns or leases the vehicles equipped with Geotab devices and subscribes to the Geotab solution.

'Data Holder'

"a natural or legal person that has the right or obligation [...] to use and make available data [...] which it has retrieved or generated during the provision of a related service".

Application: Geotab is likely the data holder for data generated via its own telematics devices, but the situation for OEM-sourced data is more complex as control over access is a key determinant.

'Data Recipient'

"a natural or legal person... other than the user... to whom the data holder makes data available, including third parties requested by the user".

Application: In the context of Geotab's solution and ecosystem, data recipients would include entities like installers, insurance providers, or developers of complementary fleet management tools who receive data from Geotab (as data holder) at the request of the fleet customer (the user), such as Geotab Marketplace Partners and data aggregation service providers.

'Product Data' / 'Related Service Data'

'Product data' is data generated by the use of the connected product designed to be retrievable. 'Related service data' represents the digitization of user actions or events related to the product, generated during the provision of the related service.

Application: Importantly, the Data Act grants access rights (under Article 4) to "readily available data", meaning "raw" or "pre-processed" data that is not substantially modified or enriched (see, for example, Recital 15 of the Data Act).

4. Determining Geotab's Role: Data Holder

Identifying Geotab's specific role under the Data Act is important, as the primary obligations related to data access, sharing, and contractual fairness fall upon the 'data holder'. This role may differ depending on the origin and flow of the data as outlined below.

4.1 Scenario 1 Data from Geotab-provided OBD devices

In the context of data generated by the use of Geotab's own telematics devices and subsequently processed and made accessible via the MyGeotab platform, Geotab's position as the 'data holder' appears clear. Geotab designs the hardware and software ecosystem, collects and processes the data, and holds the contractual relationship with the user (the fleet customer) that governs the use service (the commercial relationship is often held by a reseller partner). Geotab also has the technical capability and the implicit (or explicit contractual) right to make the 'readily available' 'product data' (from the device) and 'related service data' (from platform interactions) available to the user.

4.2 Scenario 2 Data ingested via OEM APIs

Both the OEM and Geotab are potentially 'data holders' in a scenario where Geotab ingests OEM data via API. Where the data is generated solely by the OEM's embedded systems and Geotab merely receives this data via an API for display or further processing within Geotab's environment, the OEM is likely a 'data holder' as the OEM controls the generation and initial access. In this scenario, Geotab might function merely as a 'data recipient' if the user instructs the OEM to share the data with Geotab. However, since Geotab receives the raw data via the API and possesses the technical capability and the contractual right (granted by the user) to make this specific data available to the user through its platform, Geotab could also be considered a 'data holder' for this data stream, but only with respect to the data made available to Geotab from the OEM. The Data Act does not prevent the possibility of multiple data holders for one solution.

5. Compliance Assessment: Geotab's Practices vs. Data Act Requirements

This section assesses Geotab's current operational model against the specific requirements of the Data Act, focusing on data accessibility, user rights, and B2B data sharing rules.

5.1 Pre-contractual information requirements (Art 3)

Article 3(2) and 3(3) of the Data Act impose pre-contractual information requirements. Before a user commits to purchasing, renting, or leasing a connected product or subscribing to a related service, they must be clearly informed about:

- The type, format, and estimated volume of data generated.
- Whether data generation is continuous and real-time.
- Data storage methods (on-device/remote) and retention periods.
- How the user can access, retrieve, or erase the data.
- The identity of the data holder.
- Intentions regarding data use and sharing with third parties.
- User rights, including lodging complaints and requesting data sharing.
- Presence of trade secrets in the accessible data, if any.

Application: Geotab's user onboarding processes and documentation reflect these information requirements and associated documentation will be updated to include the detailed pre-contractual information mandated by Article 3.

5.2 User rights – access, use, and portability (Chapter II: Art 3, 4, 5)

Chapter II forms the core of the Data Act's user empowerment provisions. Below is a summary and analysis of these requirements in the context of data collected via Geotab's telematics device and use of MyGeotab.

Article 3 (data accessibility by design)

Connected products and related services must be designed and manufactured so that 'product data' and 'related service data', including relevant metadata, are accessible to the user by default. This access must be easy, secure, free of charge, provided in a comprehensive, structured, commonly used, and machine-readable format, and, where technically feasible, direct.

Application: Users of the Geotab solution can access and export raw fleet data directly through MyGeotab. Raw telematics data is made available for download into machine readable format (.pdf and .xlsx for manipulation) with tables and headings identifying the datapoint being captured. Geotab's export mechanisms meet all Article 3 and 4 requirements regarding format, timeliness, security, completeness (including metadata), and real-time access.

Article 4 (user access)

Where data is not directly accessible, the data holder must make readily available data and metadata accessible to the user without undue delay, free of charge, securely, in a comprehensive, structured, commonly used, machine-readable format, and, where relevant and feasible, continuously and in real-time.

Application: Users of the Geotab solution can access and export raw fleet data directly through MyGeotab. Raw telematics data is made available for download into machine readable format (.pdf and .xlsx for manipulation) with tables and headings identifying the datapoint being captured. Geotab's export mechanisms meet all Article 3 and 4 requirements regarding format, timeliness, security, completeness (including metadata), and (where relevant and feasible) real-time access.

Article 5 (sharing with third parties)

Users have the right to request the data holder share readily available data with a third party (data recipient) of their choice. This sharing must occur under similar conditions as user access (see above).

Application: Users have the option of exporting raw fleet data as outlined above and sharing it with third parties at their choosing. In addition, users may grant a third party access to their MyGeotab database. Finally, users and third parties can leverage Geotab's secure APIs to grant third party applications access to a user's raw fleet data in their MyGeotab database.

Article 6 (third party obligations)

Data recipients receiving data under Article 5 must process it only for the purposes agreed with the user in addition to other requirements such as complying with data protection laws, erasing data when no longer needed, and protecting trade secrets.

Application: In the context of Geotab's solution and ecosystem, 'data recipients' take the form of vendors with whom Geotab has developed an API-based integration, value-added resellers that offer telematics-adjacent products and data aggregation service providers, among others. Article 6 is concerned with obligations imposed on 'data recipients' that have been given access to user data (by the user themselves). In addition to the general requirements to process user data in accordance with user instructions, Article 6 also prohibits the data recipient from (i) using the received data to develop a connected product that competes with the connected product from which the data originates, (ii) using the data to derive insights on the economic situation, assets and production methods of the data holder also requires the data recipient to, among other things, (iii) sharing the received data with a third party unless agreed by the user; (iv) using the data in a manner that has an adverse impact on the security of the connected product or related service. Article 6 also allows data holders to agree on specific measures with the data recipient to preserve the confidentiality of trade secrets included in the data (if any) and makes it an obligation for the third party to respect these measures and not undermine trade secret confidentiality. Therefore, while Article 6 doesn't give the data holder (Geotab) new direct rights against the data recipient, the obligations and prohibitions it places on the third party do indirectly serve to protect the data holder's interests.

Article 8 (conditions) / Article 9 (compensation):

Articles 8 and 9 apply when a data holder is obliged to make data available to a data recipient (another business), primarily under Article 5 (user request). Articles 8 and 9 require that, although the data must be made available to the user for free, the data can be made available to the data recipient for a fee, which may include a margin, provided it is made under Fair, Reasonable, and Non-Discriminatory (FRAND) terms and conditions. A significant exception exists: if the recipient is an SME or non-profit research organisation, compensation cannot exceed the direct costs incurred in making the data available. Data holders must therefore establish a clear methodology for calculating reasonable compensation and implementing processes to apply the SME cost-based pricing rule.

Application: Geotab generally does not charge for access to its APIs. Fees charged for such access, or for integrations with the Geotab platform, comply with Articles 8 and 9 as outlined.

5.3 B2B data sharing – contracts and unfair terms (Chapter IV: Art 13)

Article 13 introduces controls on unfair contractual terms in B2B agreements related to data access and use, specifically targeting terms unilaterally imposed by one enterprise on another. Such unfair terms are not binding.

A term is considered 'unilaterally imposed' if supplied by one party where the other could not influence its content despite attempting negotiation. A term is only 'unfair' if it grossly deviates from good commercial practice, contrary to good faith and fair dealing.

More specifically, Article 13 provides a 'blacklist' of terms always considered unfair (e.g., excluding liability for gross negligence, giving the imposing party exclusive rights to determine conformity or interpret terms) and a 'greylist' of terms presumed unfair unless proven otherwise (e.g., inappropriately limiting remedies, allowing detrimental access to the other party's data, preventing the other party from using their own generated data, allowing termination on unreasonably short notice without cause). Geotab's End User Agreement contains none of these 'blacklisted' or 'greylisted' terms. Similarly, Geotab does not impose any such terms on 'data recipients'.

Application: While Geotab's End User Agreement would likely be considered 'unilaterally imposed' in the normal course, it is unlikely that any term therein would be considered unfair pursuant to Article 13. Terms of the Geotab End User Agreement are contractually and statutorily subject to enforceability within the applicable jurisdiction. Geotab strives to apply end user terms to its solution which are fair, reasonable and balance the rights and obligations of either party, in order to facilitate ready adoption by end users. Persistent feedback from end customers is often incorporated into future iterations of the terms.

5.4 Use of aggregated/ de-identified data

Geotab utilizes aggregated and de-identified telematics data for fleet analytics. As mentioned above, the Data Act's access rights (Article 4 and 5) apply only to 'readily available' product and related service data, generally interpreted as raw or pre-processed data (see, for example, Recital 15 of the Data Act and the **European Commission's Data Act FAQ)**. Data resulting from substantial analysis or enrichment is considered outside the scope of these direct access rights.

While the derived insights themselves may not be directly accessible under Articles 4 or 5, Geotab acknowledges that the user retains the right to access the underlying raw data used for aggregation, which is addressed above.

Furthermore, in accordance with Article 4(12), which requires explicit permission from the user to use raw non-personal data for additional purposes, Geotab's End User Agreement addresses this point directly by obtaining explicit instructions from the user.

5.5 Specific considerations for OEM data ingestion

Processing data ingested via OEM APIs (i.e. collected by OEM integrated telematics modules) requires careful navigation of Data Act roles and obligations. In the unlikely scenario that Geotab is determined to be the 'data holder' for this data, it bears the full responsibility for ensuring user access (Article 4) and third-party sharing (Article 5) for that data, even if it originates from the OEM's systems. If in the more likely scenario that the OEM is the 'data holder', Geotab (as a potential 'data recipient' under Article 5) must comply with Art 6 obligations regarding purpose limitation, deletion, etc. The user would in this latter scenario need to direct requests for access/sharing to the OEM.

Accordingly, the contract between Geotab and OEM must clarify, among other things, who acts as the 'data holder' for specific data streams; procedures for handling user requests under Articles 4/5 directed to either party; responsibilities for data quality, security, and metadata provision; and identification and handling of potential trade secrets within the OEM data stream. Collaboration between the OEM and Geotab is critical to ensure compliance with the Data Act.

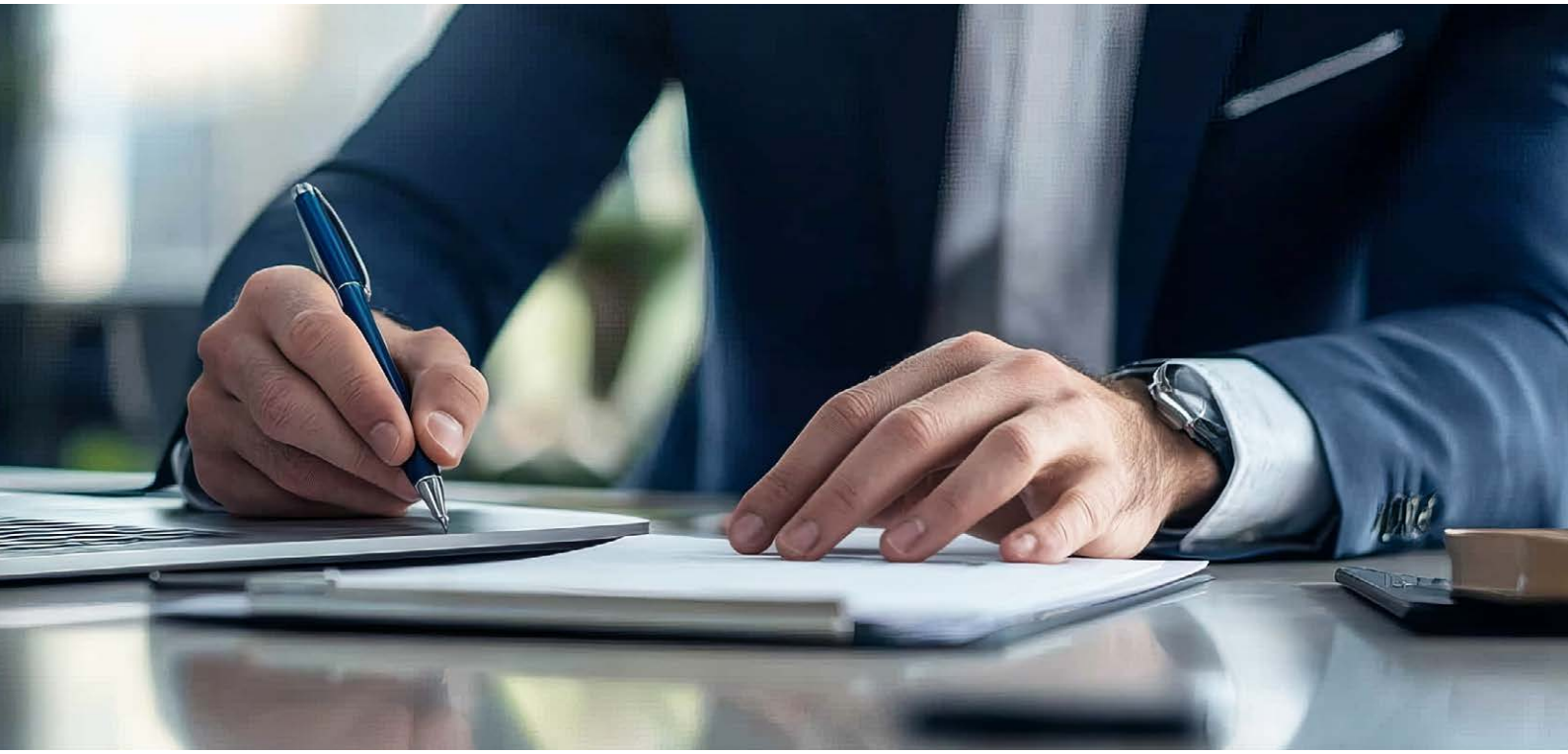
6. The Data Act in The Automotive And Telematics Sector Context

The Data Act enters a dynamic automotive and telematics sector where data is increasingly central. Understanding this evolving landscape is key to appreciating the opportunities the Data Act presents for all stakeholders, including Geotab, its users, and industry partners like OEMs.

Historically, access to the rich data generated by connected vehicles has been managed primarily through OEM systems. The Data Act represents a significant step towards a more harmonized and user-centric approach. Its core aim of enhancing data accessibility and thereby fostering data-driven innovation, is intrinsically aligned with Geotab's foundational philosophy with respect to data ownership and facilitating user access to promote a broader, more vibrant telematics ecosystem where all value-bringing entities can thrive. The Act empowers users (fleet managers and vehicle owners) with greater control over their data, granting them rights to access it (Article 4) and share it with third-party service providers of their choice (Article 5), directly supporting this vision of an open and competitive data landscape.

Telematics providers like Geotab occupy a distinct and valuable position within this evolving ecosystem. Geotab operates both as a primary data collector and platform provider through its own hardware and as an integrator of data sourced directly from OEM telematics modules. The Data Act reinforces the value of this position. It empowers Geotab's fleet customers to leverage data generated by Geotab devices and facilitates user-directed sharing of data from OEM systems. For this ecosystem to function effectively and for end-users to fully realize the benefits of the Act, it is crucial that OEMs understand and fulfill their responsibilities as data holders. Their compliance and cooperation are integral to ensuring seamless data flow and upholding user rights, particularly when data is integrated into comprehensive fleet telematics solutions. This collaborative environment, underpinned by clear roles, creates opportunities for richer insights and enables users to choose the best combination of services for their needs.

Geotab, with its established technology and user-centric approach, is well-positioned to facilitate data access for its users and to collaborate with partners, including OEMs, to deliver advanced, data-driven solutions.



7. Key Findings Summary

Alignment of Geotab's philosophy with data act objectives

The Data Act's core aim of enhancing data accessibility and fostering innovation aligns with Geotab's philosophy of not claiming raw fleet data ownership and facilitating user access to promote a broader telematics ecosystem.

Data holder status and complexities

Geotab is clearly identified as the 'data holder' for data generated by its own OBD devices and processed on the MyGeotab platform, thereby incurring the obligations under the Data Act applicable to data holders. However, Geotab's role concerning data originating from OEM telematics devices and ingested via API presents greater complexity regarding responsibilities for user data access and sharing, potentially requiring collaborative clarification with OEMs. Geotab is involved in and promotes the adoption of standardized fleet data, such as VSS, in order to facilitate compliance across the automotive industry for democratized data access inline with the requirements of the EU Data Act. It is crucial for OEMs to recognize and fulfill their responsibilities as data holders, ensuring compliance for the benefit of end-users and the telematics ecosystem generally.

Alignment with user rights

Geotab's existing data export functionalities align with the spirit of Article 4 of the Data Act concerning user data access. Geotab is committed to ensuring its mechanisms meet all specific technical requirements, including those for format, timeliness, security, and real-time access where feasible, and will establish or review mechanisms for direct data sharing with third parties upon user request as per Article 5.

Indirect protections for data holders via third-party obligations

Article 6 primarily imposes obligations on third-party data recipients (when users request data sharing). These obligations include prohibitions on using shared data to develop competing products and requirements to protect the data holder's trade secrets, thereby safeguarding Geotab's commercial interests.

Contractual terms assessed as fair

Geotab's End User Agreement, though likely considered 'unilaterally imposed' under the Data Act, have been assessed and do not contain terms that are deemed unfair according to the 'blacklist' or 'greylist' criteria outlined in Article 13 of the Act.

Scope of data access rights and consent for aggregated data

The primary data access rights under Articles 4 and 5 of the Data Act apply to readily available raw or pre-processed data, and generally not to insights derived from significant analysis. Users, however, retain the right to access the underlying raw data used for aggregation, and Geotab's user agreement terms address the requirement for user consent (Article 4(12)) for using raw non-personal data to create aggregated analytics.

About Geotab

Geotab securely connects commercial vehicles to the internet, providing web-based analytics to help customers better manage their fleets. Geotab's open platform and Marketplace, offering hundreds of third-party solution options, allows both small and large businesses to automate operations by integrating vehicle data with their other data assets. As an IoT hub, the in-vehicle device provides additional functionality through IOX Add-Ons. Processing billions of data points a day, Geotab leverages data analytics and machine learning to help customers improve productivity, optimise fleets through the reduction of fuel consumption, enhance driver safety, achieve strong compliance to regulatory changes and effectively transition to and operate electric vehicle fleets. Geotab's products are represented and sold worldwide through Authorised Geotab Resellers.

To learn more, please visit
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