

Brazilian Telematics law postponed, again!

(Carlos Alberto Pinto Nogueira comments on the last postponement of the Brazilian Government regulation regarding the implementation of mandatory tracking and blocking devices in every vehicle sold, forecasted to start later this year)

As it was largely anticipated and also predicted on my last article, Brazilian Government has decided to postpone (once more) the enforcement of the Denatran resolution 245 that regulates the mandatory installation of a tracking and blocking device with certain specific characteristics in every vehicle to be sold in Brazil.

For people familiar with this subject, there was no surprise with this new announcement that only extends the uncertainty of the market and make it hard to believe this mandatory and not user friendly device, created in 2007, it will ever actually going to be implemented in the format it was conceived by the Government. Many sources, including myself, believe the goal of this new postponement is only to gain time so the Government could be able to negotiate some honorable solution to allow technical freedom to make this type of application regulated by market demand and do not have to reimburse the millions of dollars that were already invested by the industry to comply with the law.

Different from the European emergency call initiative, "ecall", that utilizes close communication technologies and had also faced similar controversy and postponements, the critics of the Brazilian law are specially concerned for the Government getting involved in enforcing a technology related only with the economic security issue (trying to reduce vehicle stolen rates or increasing stolen vehicle recovery) instead of being concerned with the issue of the vehicle occupants' safety, in a country were vehicles still do not have to carry mandatory safety items like Anti-Lock Braking Systems (ABS) among other important devices.

The only good news is the fact there is already an estimated market around 10% to 30% of local produced vehicles (300K to 900K out of 3 million production) for similar devices that will offer several different services to the owners of the cars with the goal of keep them connected as well as provide additional user friendly services related to the vehicle functionality, diagnostics, maintenance and entertainment services. Problem is those devices, will only start to appear in the market as brand and model unique features once the situation with the mandatory device will be completely clear with the full implementation or cancelation of the law.

So, we still will need to wait a couple more months to see where this whole thing is going. My guess is the market demand will prevail (as it always does sooner or later) and we will start to see new user friendly branded devices independent from the regulation, later this year.

Note: In case you are interested, the new time schedule published on April 28th it is called Contran deliberation 111 and calls for mandatory **20%** implementation by **January 15th 2012**, growing to **40% by March 15th 2012**, **70% by June 15th 2012** and **100% by August 15th 2012 for passenger cars, SUVs, trucks and buses. For Motorcycles** the revised schedule calls for mandatory 5% implementation by **January 15th 2012**, **15% by March 15th 2012**, **20% by April 15th 2012**, **50% by November 15th 2012** and **100%** only by **January 15th 2013**.

Regarding the author: Carlos Alberto P. Nogueira is an automotive executive with worldwide experience that has dedicated the last 15 years of his professional career to the development and study of Telematics products and services. Formerly held C-level positions around the world in companies like General Motors, General Electric and Motorola among others. He is currently the President and Founder of Nogueira Business Consultants (e-mail: ca@carlosalberto.org).