

## Leasing companies sue Ottawa over vehicle import rules

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TORONTO — A lawsuit filed this week accuses two government agencies and two automakers of conspiring to drive up prices on some luxury cars imported into Canada.

Transport Canada and the Canada Border Services Agency are named, along with BMW Canada Inc., Mercedes-Benz Canada Inc. and Mercedes-Benz USA LLC in the court action, which is seeking more than \$1-billion in damages.

“We’re alleging that Transport Canada, Mercedes, BMW and Canada Border Services Agency have violated the Competition Act in regard to people who are importing American vehicles into Canada,” Brian Osler, whose firm filed the suit, said Thursday in a phone interview with The Canadian Press.

The suit — filed in Ontario Superior Court on Monday on behalf of Fournier Leasing Company Ltd. and Canadian Auto Associates Ltd. — is seeking class-action status.

The suit alleges the automakers and the government violated competition and consumer protection laws by forcing Canadians to pay excessive fees, ranging in the thousands of dollars, for unnecessary vehicle modifications and approvals on cars imported from the U.S.

None of the allegations contained in the court documents have been proven in court.

While all imported cars must meet Canadian safety standards, Mr. Osler claims that Transport Canada and the car companies have different procedures for those importing Mercedes and BMW cars than for importers who bring other makes of vehicles into the country.

For example Mr. Osler said consumers face stiff fees for everything from vehicle inspections to providing recall information, which he said is contrary to the Consumer Protection Act and Competition Act.

“With Transport Canada’s arrangements with BMW and Mercedes, you got to pay them for recall information, you’ve got to pay Mercedes and BMW for approving your import,” Mr. Osler said. “In some cases... they make you do modifications to the vehicle that aren’t even necessary and they charge you an arm and a leg. We’re suing for that.”

Mercedes-Benz Canada spokeswoman JoAnne Caza said Thursday the automaker had not been served with the legal papers and wasn’t in a position to comment. She did not know when her company would file a statement of defence.

Stacy Morris, a spokeswoman for BMW Canada, said her company has also not seen the legal documents.

While she wouldn’t comment on the lawsuit directly, Ms. Morris said BMW has worked with Transport Canada and the Registrar of Imported Vehicles to develop a process to ensure the safety of U.S. vehicles imported into Canada. She said BMW does inspections for U.S. vehicles brought into Canada because the company honours the warranty of such vehicles and if it didn’t do the inspections, it wouldn’t honour the warranty.

“By having a process, we’re just protecting the customer and the warranty of the vehicle,” said Ms. Morris.

Transport Canada spokesman Patrick Charette also wouldn’t comment directly on the lawsuit, but said it’s up to manufacturers to voluntarily provide a list of models eligible for import that can be modified to meet Canadian safety standards, which differ from U.S. standards on everything from daytime running lights to child seat anchors to bumpers.

“It’s a self-certification process. It’s up to manufacturers to conduct whatever testing is required and come to Transport Canada,” Mr. Charette told The Canadian Press. “They must provide Transport Canada with all the supporting documentation that demonstrates that your vehicle meets the Canadian safety standards on the road.”

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