

December 24, 2007

Matthew Coons
Senior Regulatory Development Engineer,
Road Safety and Motor Vehicle Regulation
Directorate,
Transport Canada,
330 Sparks Street, 8th Floor, Ottawa,
Ontario, K1A 0N5

VIA FAX: 613-990-2913

Daniel B. T. Davis
Chief, Regulations and Standards
Road Safety and Motor Vehicle Regulation
Directorate
Transport Canada
330 Sparks Street, 8th Floor, Tower C
Ottawa, Ontario, K1A 0N5

VIA FAX: 613-990-2913

Dear Sir:

**Re: Notice requesting comments on the intention to amend section 215,
"Bumpers," of the *Motor Vehicle Safety Regulations***

We are writing to strongly support harmonizing the Canadian bumper regulations with those of the United States.

Background

Based on our review of the documentation provided in the Canada Gazette Vol 141, No. 41 dated October 13, 2007 we would like to emphasize the following points:

No Apparent Safety Benefit - Based on the commentary provided and our independent investigations we see no specific safety benefit from Transport Canada having unique bumper regulations. As noted in the Canada Gazette commentary, even Transport Canada itself has been unable to justify why the Canadian bumper standard should continue to be more stringent than those of the United States or other countries (i.e. UNECE).

Additional Costs to Vehicle Importers – It has been noted by our members, and as confirmed by the current VAFUS list, that certain importers have been able to restrict the importation of certain models of US vehicles into Canada as a result of the stricter Canadian bumper standards. General Motors, BMW and Mercedes, among others, have vehicles that are either "Inadmissible" into Canada or must be upgraded to meet Canadian bumper standards.

Canadian consumers are currently paying significant premiums to purchase automobiles in Canada compared to similar cars in the US. Canadian Driver estimated that in 2006 the typical Canadian vehicle was \$5,842 (17 percent) more expensive in Canada than in the United States. The difference is likely higher now because of the current exchange rate difference versus that in 2006. Like consumers, insurers likely also want the prices of vehicles to drop in Canada to reduce their loss exposure. Lower car prices in Canada should also lead to lower insurance premiums for Canadian consumers.

If there is free competition through allowing US imports, Canadian automobile prices will come down. Free competition will not occur if there are unique regulations in Canada

which result in manufacturers charging more for their vehicles either on a legitimate or illegitimate basis. By using the term "illegitimate" we understand that some manufacturers are using the bumper standard to discourage the importation of their vehicles into Canada through charging significant amounts to have the bumpers upgraded to Canadian standards. There is both a hard dollar cost and time cost involved for consumer importers as a consequence of the required retrofit. Where bumpers can be upgraded to meet Canadian standards manufacturers such as BMW and Mercedes require that the bumpers be upgraded at their Canadian dealers as a condition of the purchaser receiving an "official letter of admissibility" from these manufacturers. The cost of the bumper upgrade through the dealers is significant and in our opinion greatly exceeds the actual time and materials costs involved. In addition these manufacturers are charging up to \$500 for the consumers to receive their admissibility letter. These same manufacturers are also charging significant amounts for the installation of Daytime Running Lights (DRL) by way of a Canadian dealer specified installation.

We believe that Transport Canada allowing BMW and Mercedes to require consumers to get a separate letter of admissibility is totally unacceptable and unwarranted. If these special circumstances are left unchecked, we believe that all manufacturers will start insisting on the need for manufacturer specific admissibility letters resulting in an additional significant cost to importers.

Conclusions

In summary, we strongly encourage Transport Canada to harmonize the Canadian bumper regulations and if not, demonstrate in no uncertain terms to Canadians using a formal cost/benefit analysis why a unique Canadian regulation is required. We also request that Transport Canada properly investigate and substantiate the need for certain manufacturers to require importers to obtain official admissibility letters.

About Carswithoutborders

Carswithoutborders was formed on November 18, 2007 in response to a recent Transport Canada anti-theft device regulation that had the impact of stopping Canadians from purchasing vehicles in the US manufactured after September 1, 2007. Since its inception, Carswithoutborders has received tremendous support across Canada and its website is now receiving a significant traffic both across Canada and outside of Canada. Visit www.carswithoutborders.com

Sincerely,

Robert Lamb and Serge Bergeron
Carswithoutborders

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