

December 6th, 2007

The following text represents Carswithoutborders submission to the Transport Canada Public Consultation, regarding the proposed amendments to the

REGULATIONS AMENDING THE MOTOR VEHICLE
SAFETY REGULATIONS (IMPORTATION OF
VEHICLES — SECTION 12)

This submission was presented during the Conference call today by Robert Lamb, Serge Bergeron, Carl Paquin and Cy Daly, representing the members and petitioners of Carswithoutborders.

As follows:

Mr Chairman, ladies and gentlemen, Transport Canada personnel, the RIV and members of various automotive associations, manufacturers and concerns throughout the country. To the members of carswithoutborders / autosansfrontieres. Thank-you for the opportunity to present our group's position.

We come before you today representing a group of Canadians, over 1000 strong, we are average Canadians from all across Canada, from all walks of life.

CarsWithoutBorders was established on November 18th to help Canadians who have been hurt by the recent introduction of a vehicle anti-theft standard Transport Canada put into effect on September 1, 2007. We are not a lobby group; we are a group of volunteering Canadians that have only two goals in mind. We want our Cars on the road, and we want fair pricing of automobiles for Canadians.

This issue is not about dealers here in Canada. It is about over-regulation and manufacturers that are permitted to take advantage of a flawed self-compliant system.

As all of us here today know, after September 1, 2007, all vehicles sold in or imported into Canada must be equipped with a Vehicle Immobilization System (VIS) which is to stop people from stealing vehicles. Specifically the requirement is that the vehicle must be equipped with a VIS that meets the requirement of "Canada Motor Vehicle Safety Standard" CMVSS 114. **This is a good law! We should clearly note that neither we nor any of our members dispute the importance this law.**

At this time, it should also be noted that the members of carswithoutborders have done no wrong! We followed the rules! We were told our cars were admissible, and then were then told they weren't! We were issued "amnesty" letters, indicating we were wrong, but never the less go ahead you are approved! Then we were told the amnesty letters were a mistake! The official list changed. One day this model was good, the next day it was no good! We were issued "Exportation letters". Then we were told it was a mistake!

Note: We would like to thank Transportation Canada for its positive reaction last week. Personnel called and reassured 50 or so Canadians that had received expulsion notices in error. More formal letters followed. This situation was initially reported by our team members on November 24/25th.

We were told we went through a red light! But we went through a Green light, Mr. Chairman. The light was green!

Transport Canada officials told us that we are but 1000 inconvenienced Canadians. We have been down played by officials in your department and mocked by some of the media as people that simply didn't do their homework, "and too bad for them if their \$60,000 car is sitting idle."

Many, many of us simply scraped up every penny we could find, and purchased the family car we loved and always wanted. We would never be able to afford the same car, if purchased in Canada. Our car now sits in our Garage! 61 days as of today for me! Many young Canadian families, with each parent working and children in daycare are left to their own means without transportation. This is not fair. This is not what Canada is about! If a policeman wrongly gives us a ticket for speeding; we are allowed to go to court and contest it! Many times, an impartial judge after reviewing the given situation repeals the verdict! Any reasonable fellow, after hearing and understanding our dilemma, would surely release us.

Thousands of other Canadian's have purchased cars or placed a down payment on a car that still to this day sits in a parking lot on foreign soil. No one knows how many!

We are thrilled, that Transport Canada has now, recognized our team, and the struggles each and every member of carswithoutborders has and is going through. Over the last few days, we have personally witnessed the compassion and wherewithal of the officials of Transport Canada to make this small change a reality for all of us prior to the holidays.

Our team appreciates your efforts. Mr. Chairman, some of us understand that you and your staff at Transport Canada and the RIV are also playing by the rules. You are all doing and operating to the best of your ability under flawed rules that you have followed for years. Working by the rules imposed upon you by a system that appears to favor the Car manufacturers over Canadian citizens.

Overall and in the long term, isn't this where the real problem lies! These rules were established 10 or twelve years ago, in a very different age and time! They were established at a time when people could be trusted to do the right thing, despite possible uncomfortable personnel consequences. Today is not the same. Market pressures and competition in our global environment is fierce. We Canadians have been extremely successful adapting to this new global regime. We must be allowed to savour the fruits. The fruits of being one of the most economically sound countries in the world today! Working with these old rules mean that young Canadians and young Canadian families, just starting out in life, are being expected to pay more. They will pay up to 8 or 10 thousand dollars more for their first family car than their equivalent cousins in the U.S. These extra dollars would go a long way to raising our standard of living. These extra dollars could be spent in Canada to secure better healthcare, better education and better housing for our seniors.

You must see to it that the small changes recommended last week be quickly incorporated into the law. Alleviate our most immediate issue today. We are optimistic, and are very aware. We remain guarded. We know very well how powerful the automotive lobby is. We are told entire offices and buildings in Ottawa area are filled to the hilt with what we call Lobbyists. They are paid very handsomely. Our Government can not be seen as dancing with the wrong partner. In the end though, this system of self-compliance has to be refitted. Manufacturers can never be allowed to operate in the shadows as they appear to be doing today. They must be held accountable for their actions and decisions! All most Canadians want is the truth. The idea, that under a self compliant system, the manufacturer can simply declare a vehicle inadmissible without providing any rationale is preposterous in this modern day of disclosure and openness. You have many stakeholders in this process, as you have alluded to us over the last week, but a system that favors one over so many is tragic and must be changed. Canadians deserve a fair playing field.

We have been invited here today to provide you with feedback on the pending amendment. We have spent the last few days taking the pulse of people's reaction to last Friday notice of amendment and here are our findings to date:

1. There appears to be broad support (and relief) for the amendment in general. Accepting a U.S market car that has been fitted at the time of manufacture with an electronic immobilizer system is a truly practical approach and should be approved immediately. Some manufacturers have indicated that their technology is well advanced and that their cars are equipped with the most technologically advanced immobilizer systems.
2. There are a few people that believe the amendment does not go far enough and would like to see its scope broadened to address other problems with warranties, unfair prices, and recall and compliance letters. At this time we have respectfully requested that these individuals hold off for the betterment of the majority that is stuck in this "gut wrenching SNAFU". Most have agreed. We must not hinder or be perceived to hinder the process.
3. There is concern over the clause regarding the installation of aftermarket immobilizers which stipulates that such conversions may not be allowed if the OEM declares in writing that it is unsafe. This appears to open the door for abuse by the manufacturers. During the sessions yesterday we were quite impressed with the presentations of the chaps operating the after market businesses in Canada and particularly Manitoba, where this regulation has been in place for a while and is subsidized by the Provincial Government. We heard stories of one manufacturer disallowing an after market system in their cars for safety (possibly affecting the air bag mechanisms), but at the same time they were rumored to be directing their own installation technicians to install the same systems. It appears to us that if the IBC has sanctioned the after market companies, and if their people are trained at the highest levels to install the immobilizers, their options should be seriously considered.

We would suggest Transportation Canada consider one or more of the following to address these valid concerns:

- a) Remove this condition from the amendment if this would not put safety at risk and would not delay the process.
 - b) Amend the wording to require that the OEMs position be documented and justified. Require that this position be supported by an independent third-party such as the aftermarket immobilizer group, consumer safety groups, or Transport Canada itself. We all recognize that there are cases that would render the vehicle unsafe, but given the track record of the OEMS, many would have their doubts. This recommendation would alleviate everyone's concerns and provide an equitable process.
 - c) Leave the wording "as is" but introduce an appeals process for third-parties to present reliable and verifiable evidence regarding the safe installation of an aftermarket device on such vehicles.
4. Our group is concerned that the current regime leaves the determination of admissibility entirely in the hands of Manufacturers. This has left the VAFUS subject to abuse for reasons which may have little to do with public safety. This concern, it should be noted, would remain even in the event that the current amendment as accepted. Please consider our group's support to work with you in the New Year to find sustainable long-term solutions to this problem.
5. There is great concern that any changes to the amendment as is may further delay its implementation.

There are many other areas of improvement that can be addressed; we are hoping that over the long term Canadians will be proud to work within an equitable and fair system. Please refer to a memo that was submitted to M. Tremblay last week by one of our members. The thought and recommendations contained within could certainly be used as stepping stone to further improvement.

On another front, and while we attempt to change the self-compliant system, that has truly failed so many Canadians, we also hope that the Self-compliant and Audit department of Transport Canada will be given the manpower and scope to conduct and perform some very essential work. We heard during these sessions that your group's priority was more in line with performing important life saving work, and we can not agree more. Saving Canadian lives is much more important work. Maybe, though you can see it through to find the resources

required. Mr. Banes indicated in yesterday's session that you are becoming more and more proactive in this area. In view of this welcomed position, we would like to present you with a document outlining the work of Mr. Cy Daly, one of the individuals, working with Canadians all across Canada on our immobilizer team. This report provides very clear evidence that vehicles, destined for either the US or Canadian markets that are manufactured on the same production line in Ontario, are equipped with the same systems, and installed in the same way.

At this time, it is my pleasure to present to you the signatures of over one thousand Canadians that have signed our petition as follows within just two weeks since we have launched the initiative. I welcome partner Mr. Serge Bergeron to present this portion of our submission:

To: The Honorable Stephen Harper, Prime Minister of Canada. We are Canadians who have been impacted by a recent Transport Canada requirement that all vehicles sold in, or imported into Canada, must be equipped with a Vehicle Immobilization System (VIS). Because the VIS standard (CMVSS 114) prescribed by Transport Canada is uniquely Canadian, many automobile manufacturers are claiming that their US vehicles do not meet the standard and as such they are inadmissible into Canada under Transport Canada's list of Vehicles Admissible From the United States (VAFUS).

Many of us have been caught in a trap whereby Transport Canada's VAFUS list was amended between the time we purchased a US vehicle and when we tried to import it, or register it, in Canada. As a consequence we have vehicles we have purchased that are sitting in garages in Canada, or parking lots in the United States, waiting for a Transport Canada resolution on whether we can register these vehicles in Canada. We followed all the rules that were in effect at the time we bought our vehicles. Many of these vehicles have a VIS and if they don't, we at least want the option to install an after-market device. In the event that the Government of Canada will not allow us to register our vehicles, we will suffer significant financial harm in addition to the emotional stress we have suffered to date.

Many of us also want the opportunity to purchase vehicles in the United States and import them into Canada. The difference in prices between equivalent cars in the US and Canada ranges from \$4,000 to \$40,000. We simply want an opportunity to save some money but also recognize that through allowing US vehicles to be imported into Canada, through competition, vehicle manufacturers will have to drop their prices in

Canada. We are Canadians who want choice and a fair deal. We especially do not want the Canadian government creating a trade barrier for Canadians.

Transport Canada, through its unique VIS regulation, which came into force in September 2007, has effectively stopped Canadians from purchasing many new US cars. We believe this is just not right and see no reason why Transport Canada can't harmonize its regulations with those of the United States.

We ask that the Government of Canada take action; to help those of us that followed the rules but now have stranded vehicles and, to ensure that Canadians have access to free trade between Canada and the US to import US automobiles manufactured after September 1, 2007.

(List has been sent on separate e-mail)

In closing we want to thank-you for the time allocated to our group Carswithoutborders. We want to thank all of you for providing us time to present our findings. We are hopeful that this amendment will pass quickly within a few days.

We would not want to be present when our members are denied their rightful and joyous holidays with their families.

Finally we would like to remind you and all the automobile organizations all across Canada that our members are willing to work closely with you to bring about change for the betterment of all Canadian consumers. **Please though, give us your word that efforts will be made to ensure that law abiding, tax paying Canadian citizens will never again be allowed to fall into this type of trap.**

We did no wrong! We followed all the Rules!

Respectfully Signed,

Robert Lamb

Serge Bergeron

Carl Paquin

Cy Daly

Representing the members and supporters of carswithoutborders.

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