

All supplement and references can be found in the previously released IVOAC report, which is available to download at any time on the website (www.15years.ca)

The Following is the CCMTA's Agenda #29 broken into the points as to allow the IVOAC address the issues individually. Highlighted in Red is the document excerpt followed by the addressing statement.

1) *Passenger type vehicles manufactured for the Japanese domestic consumer market include both "Japanoid" or Kei-cars and other larger right hand drive cars and vans such as the Nissan Skyline - neither of which were ever intended for sale in North America. While Canada does not restrict the importation/entrance of right hand drive vehicles, they are severely restricted from entering the United States unless extensive safety modifications are made that meet federally mandated standards.*

2) *.The "japanoids" are unique in both their appearance and small size; their engine displacement is restricted to less than 660 ccs, and they are very fuel-efficient.*

-Most imported units are similar or near comparable to Canadian spec units. The Nissan Skyline is one of the exceptions that does not have a domestic alternate available locally and is not representative of the majority of imported vehicles. Most share basic manufacturers' part numbers except engine specifics and actual right hand drive components. Restrictions are placed on the American market as a form of protectionism not just for safety issues. Canada is not bound by American automotive regulations.

-IVOAC agrees with the statement regarding the "japanoids" and sees this as a positive reason to keep the 15-year rule in effect. These units will help Canadians to meet the goal of reduced green house emissions. IVOAC also recommends that with the desirable diesel units available in other countries, Bio-Diesel research is further enhanced helping Canada to meet its goal. (Supplement #3)

3) *Onerous vehicle inspection requirements make it cost prohibitive to keep a car on Japanese roads when the vehicle becomes 10 years old.*

4) *The mileage on these vehicles is often very low – even at the 10-*

year mark. This is due to Japan's geography, as well as the fact that in urban centres vehicle owners often have to take public transit just to get to their cars because parking spaces are at such a premium.

-Restrictive Japanese regulations regarding inspections, insurance, emission standards, etc. have made it advantageous for Japanese drivers to put their low mileage vehicles on the export market. This in turn provides Canadian customers with 15-year-old vehicles in remarkably great and well-maintained condition. The IVOAC would like to cite these points as further support to the benefit of keeping the 15-year rule in effect. Studies have shown that 15 year old imported vehicles from Japan are on average in better mechanical condition than domestic vehicles of the same age, thus again supporting the notion that Canadians should not be denied the opportunity to choose from these low mileage and even safer vehicles.

5) A growing industry has developed in Canada to import and market these vehicles to Canadian consumers. The numbers of these vehicles making their way into Canada through B.C. is growing exponentially. At least 450 of these vehicles are known to have made their way to the port of Vancouver over January and February of 2006.

-IVOAC has shown this is good for Canadian economy with Supplement #1 (Import Flow Sheet) and is again, positive proof that the 15-year rule should stay in effect.

6) Consultations with potentially affected industry members should be considered.

-Canadian Auto dealers need not feel threatened by the influx of unique units that they cannot supply from their own stock. The units supplied by entrepreneurial businesses are unique and of appeal to only a select customer base. It has been seen that even many Toyota dealerships are selling these Japanese imported units especially in BC and Alberta.

7) There are no restrictions on the importation of any vehicles 15

years of age or older, nor are they required to meet Canadian Motor Vehicle Safety Standards?

-All imported units whether from Japan or other countries MUST pass the OOP (out of province) inspections to get registered in the province.

8) *"Japanoids" as well as other right hand drive domestic Japanese vehicles such as the Nissan Skyline destined for sale in Canada are often warehoused for the 5 year period following their removal from Japanese roads.*

9) *When these vehicles arrive on British Columbia's shores by container, ICBC is obliged to register, license and insure these vehicles for on road use if they pass a provincial inspection at a Designated Inspection Facility (DIF) due to the absence of federally mandated safety standards for vehicles of this vintage.*

10) *Issues around inspecting, registering and licensing these vehicles for on road use is gaining prominence in other Canadian jurisdictions, but because the ports of Vancouver and Prince Rupert are Canada's Asia Pacific gateway, British Columbia finds itself at the forefront.*

11) *Other jurisdictions have also expressed concerns with respect to vehicle standards and safety*

- In regards to these points, which have little bearing on changing the 15 year rule, no units in Japan are stored for 5-years to meet the importation restrictions as the cost in Japan for land and storage is a premium and simply would not be a practical possibility. IVOAC agrees that these units SHOULD be licensed and insured since these units DO meet the requirements. Vehicle safety regulations are the responsibility of each province that has the right to change them as they wish to meet their needs.

Co-operation and communication with inspectors is necessary and a priority, especially when the interpretation is unclear. For example, BC inspectors created a memo back in 2005 that caused great misunderstanding of the regulations for both the inspection facilities and inspectors themselves. This also made it very difficult for the importers to adhere to the regulations. Research needs to be completed before memos that change the regulations are released. Thankfully most provinces felt the spirit of the law was more important

then a confusing memo issued by inspection offices in BC. Alberta resumed their inspection procedures when it was found the new memo was creating too much confusion and difficulties with inspection personnel.

12) *Recently, a meeting was held which included interested provincial (B.C.) agencies.*

Issues identified included the following: Safety

"The driver has limited visibility when leaving a parked position and entering the roadway, as well as when passing another vehicle because we drive/park on the right and pass on the left in North America. These vehicles also present safety concerns when making left hand turns due to restricted visibility."

-The concern here is not the RHD unit but the driver; issues with passing on 2-lane traffic and left turns are reoccurring problem in ANY unit. As with LHD vehicles, drivers are to be cautious when visibility is restricted and use prudence when driving in heavy traffic. There is at this time, NO statistical or research based evidence or findings to suggest that there is a correlation between the side of the steering wheel and accidents. Countries such as Britain and Japan see large volumes of both types in traffic on a daily basis and have not encountered significant concerns, and thus both are regarded as the norm presently.

13) *It is unclear whether these vehicles meet occupant protection standards as per Canadian Motor Vehicle Safety Standards (CMVSS).*

14) *Tires on these vehicles may not meet Department of Transportation (DOT) standards.*

15) *Occupant restraint systems and seat belt anchor systems may not be compliant with CMVSS.*

16) *Windshield and other glass may not conform to safety standards as per Society of Automotive Engineers (SAE).*

17) *Because of the right hand drive, the headlamps are not properly aimed for the North American roadway. They have the potential to "blind" oncoming drivers.*

18) *Lamps, lenses, bulbs and reflex reflectors may not meet SAE or DOT standards and are not marked as such.*

- 19) *Rear side marker reflex reflectors are missing.*
20) *Catalytic converters and neutral switches are missing.*
21) *Daytime running lamps are missing, as are high mounted stop lamps.*

-All imported units must pass the OOP inspections to get registered. All the above mentioned points fall under this heading and are not issues that should be contended in the decision to change the law, as they are all subject to provincial standards which are the responsibility of the province and their inspection offices.

22) *Insurer Claims Impacts;*

From a material damage perspective replacement parts such as seat belts, seat

belt anchors and airbags may be difficult to source.

23) *While it is anticipated that most of these vehicles are likely to be rendered total losses in collisions, assessing the actual cash value of these vehicles would be more difficult and time intensive.*

-IVOAC has found that qualified individuals can source all required parts. There is a strong support network in which to locate a required part. In regards to assessing the value of the cars, most insurance companies request an appraisal to assign a value. It is then up to the customer should they wish to insure their vehicle to include such coverage such as collision and glass to seek out an appraisal. The IVOAC does not see how this is a concern to the CCMTA or to the stability of our 15 year rule. It is the responsibility of the importer/owner of the vehicle should they so desire.

24) *From a bodily injury perspective, there is increased exposure to more severe injuries being incurred by occupants of these vehicles.*

-There is no data to prove these vehicles represent a higher risk for the safety of their occupants. It is unclear exactly what is meant by this statement. These vehicles have been made to meet the protection standards of their country of origin that is Japan and Europe. The government of these countries are as concerned about the safety of their population when they are occupying a motor vehicle as the government does in Canada. There is no evidence to suggest the position of the driver places them at a higher risk for serious injury, if anything an individual operating the vehicle on the

RH side would be less likely to suffer a serious injury from a head on collision with oncoming traffic.

25) Insurance Pricing: Due to lack of historical data, assessing proper insurance premium is problematic and this could adversely influence premium levels.

-IVOAC has shown in this report that in other countries where RHD and LHD units are being insured, it is the driver that is the deciding factor and not the unit in question. This does not change in Canada; the driver is the limiting factor, not the unit. Assessing premiums is a matter of responsibility to the owner should they wish to have an appraisal or seek out an insurance company with a database to assign model specific values.

26) Graduated Driver Licensing (GLP)

27) There are also driver testing issues for road tests conducted on right hand drive vehicles.

There is concern that due to their distinctive styling, lower cost and increased fuel efficiency these vehicles may appeal to newer drivers at the learner's stage. If these drivers accumulate their initial driving experience on these right hand drive vehicles, there is potential for increased accident rates when they switch to left hand drive vehicles at a later time.

-Due to the prevalence of LHD units, new drivers are more likely to have learned and passed their tests on LHD units. The test is to see if the driver has the knowledge of road rules and etiquette. This does not change in a RHD unit.

28) Next Steps

Last year, BC wrote Transport Canada through the Canadian Council of Motor Transport Administrators to review their 15 year rule (that only vehicles under 15 model years old are required to meet Canadian Motor Vehicle Safety Standards) and increase it to at least 25 years. Transport Canada responded that they are considering this issue.

-IVOAC feels that the BC Motor Vehicle Inspection Branch is making an unjust and nationally unsanctioned request by asking

Transport Canada to change current importation regulation. Any change in federal regulation will affect all provinces. The BC government has the power, with their MoT, to make their own laws for registration and use of imported vehicles.

Quebec utilises their MoT with regards to vehicle inspection facilities and allows imported cars to be registered and used on the public road. There is no requirement to meet the Quebec vehicle standards except where maintenance or repair is needed. In other words, it is the mandate of the province to see this matter through, and not a mandate that need be addressed by Transport Canada.

There is nothing at this time to support or suggest there are any safety concerns with owning an imported vehicle. We at the IVOAC refute this agenda as a submissible document that has any merit in deciding whether Canadians should be denied the opportunity to import vehicles 15 or more years old. Much of what was presented in this agenda is based on speculation and poor research. The IVOAC wishes to see compliance standards met and OOP inspections completed properly, but does not see how drastic action such as changing the current 15-year rule to 25 years is warranted based what was presented in this document.