







# CAPC

## Regulatory Harmonization Working Group



### October 2006

Initiative	Action Plan Item	Lead	Timing	Status
<b>Formal Harmonization Policy</b>	<ul style="list-style-type: none"> <li>Adopt policy with clear statements across departments dealing with automotive sector.</li> <li>CAPC should play a coordinating role in the SPP (Security and Prosperity Partnership) and Smart Regulation Initiative.</li> <li>Historic differences should be addressed.</li> </ul>	FED/PROV	Ongoing	
<b>Fuel Efficiency Targets</b>	<ul style="list-style-type: none"> <li>Adopt target consistent with NHTSA requirements.</li> </ul>	FED	2010	
<b>Self Certification</b>	<ul style="list-style-type: none"> <li>Full recognition of self certification (including electronic certification).</li> </ul>	FED	2007	
<b>CMVSS 208</b>	<ul style="list-style-type: none"> <li>Harmonize with FMVSS 208.</li> </ul>	FED	1H07	
<b>Emissions Monitoring and Reporting</b>	<ul style="list-style-type: none"> <li>Harmonization of emissions monitoring and reporting requirements (Ont. Reg. 127/NPRI/GHG).</li> </ul>	PROV/ ONT/FED	Announced 2005	
<b>Telematics MOU</b>	<ul style="list-style-type: none"> <li>Recognition of Guidelines Developed by the Automotive Industry.</li> </ul>	FED	2007	

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## Regulatory Harmonization Working Group

### December 2005

Initiative	Action Plan Item	Lead	Timing	Status
<b>CMVSS 114</b>	<ul style="list-style-type: none"> <li>New unique Canadian requirements without test protocols.</li> </ul>	FED	N/A	
<b>EC Product Regulations</b>	<ul style="list-style-type: none"> <li>Non-harmonized (California) automotive aftermarket products proposed.</li> </ul>	FED	2007	



Addressed - Implementation underway and on-time.



Plans, commitments and timelines not clear - attention needed.



Immediate Attention

FED - Federal Government  
 PROV - Provincial Government  
 AUTO - Auto Manufacturers, Suppliers  
 Parts – Parts Suppliers  
 Other

MT – Medium Term  
 ST – Short Term

**Timing**  
 Timing: 1<sup>st</sup> or 2<sup>nd</sup> Half and Year

- Given that the regulatory initiatives are future-oriented and developed by the federal government, their priority is dependent on the substance, timing, etc. of the government's detailed proposal, and therefore their relative priority could change.
- Federal government has stated its intent to regulate fuel efficiency going forward.

**Canadian Automotive Partnership Council  
Regulatory Harmonization Working Group  
PROGRESS REPORT – October 27, 2006**

**Overview**

- CAPC identified regulatory harmonization as a key pillar of Canada's automotive strategy for the future.
- To date the Regulatory Harmonization Subcommittee has identified the need for government to develop a formal harmonization policy with respect to automotive issues, as well as the following four key issues:
  - A common approach to fuel economy in Canada and the U.S.
  - Canadian Motor Vehicle Safety Standard 208 (CMVSS 208)
  - Vehicle Safety Self-Certification and
  - Harmonization of ONAir 127 with NPRI

**Status Report**

- Issue papers for the original harmonization priorities have been completed and outline the critical importance of these issues to the Canadian auto industry.
- The working group is concerned that action on the recommendation from the External Advisory Committee on Smart Regulation outlined below has not occurred and existing informal policy provides too much opportunity for unique requirements that are not necessary.

**Recommendation 43: A comprehensive Canadian automotive policy framework is required to coordinate automotive regulatory roles and develop clear objectives. This framework would also incorporate a strategy of cooperation on standards and joint regulatory development with the U.S.**

- A comparison of U.S. vs. Canadian Motor Vehicle Safety Standards has been completed. 15 of 62 Standards are currently the same. Six or more unique Canadian regulations apply to any given vehicle. A report is attached.

**Next Steps**

**Process Required to Act on Recommendations**

- A clear and efficient process needs to be established to deal with recommendations that are developed by the Regulatory Harmonization Subcommittee, particularly for recommendations that impact a number of departments.

**Commitment to Develop a Vision for Regulatory Harmonization**

- Progress towards resolution of immediate priorities would benefit from a vision on regulatory harmonization that spans across all departments that deal with automotive issues consistent with the recommendation of the External Advisory Committee on Smart Regulations.
- Governments within Canada should adopt a policy of harmonization of standards and regulations, unless compelling Canadian evidence exists that a different standard in Canada is necessary.

**The Vision for Regulatory Harmonization**

- |                |   |   |
|----------------|---|---|
| For Products   | → | A product environment that respects self-certification to one set of regulatory requirements across North America and in the longer term, globally, and satisfies societal needs efficiently. |
| Within Canada  | → | One set of globally competitive manufacturing and vehicle in-use requirements across all jurisdictions in Canada  |
| Recommendation | → | Develop a formal harmonization policy with clear statements that is recognized across government departments with responsibility for the automotive sector.                                   |

**Key Issues of the Status Report**

**Fuel Efficiency Targets**

- Federal government has signaled its intention to regulate fuel efficiency after the period covered by the current Greenhouse Gas Memorandum of Understanding.

- U.S. federal fuel economy standards are set at the maximum achievable level that won't degrade safety or cause economic harm to the industry. This is the appropriate balance for the integrated NA market.
- This is coded yellow.

### **Self Certification**

- Transport Canada's (TC) discussion paper on proposed revisions to the Motor Vehicle Safety Act (MSVA) would have the effect of restricting the automotive manufacturers' ability to certify vehicles using available tools including advanced, state of the art, computerized techniques (correlated to physical tests) and engineering judgment. TC is attempting to prescribe how manufacturers certify their vehicles under the Canadian Motor Vehicle Safety Act in order to make compliance audits easier. The use of advanced methods to support certification speeds the implementation of advanced technologies and supports robust testing and compliance.
- This is coded red as TC, to date, has not indicated a change in its position on this issue or a timeframe for its resolution.

### **CMVSS 208**

- TC has proposed requirements for Canadian Motor Vehicle Safety Standard (CMVSS) 208 for Occupant Protection that are not harmonized with the extensively upgraded U.S. Federal Motor Vehicle Safety Standard (FMVSS) 208 which is currently being phased in. Canada has not demonstrated that there is a field problem with the current occupant protection systems. With a non-harmonized regulation, Canada risks foregoing the benefits of U.S. advanced systems and/or compelling more expensive unique Canadian variants of vehicles.
- TC has decided to conduct additional cost benefit analysis and review it with a U.S. academic, safety expert.
- Proposals for unique Canadian requirements remain so this issue is coded yellow.
- It has been more than six years since FMVSS 208 was finalized and TC still has not completed its analysis.

### **Emissions Monitoring and Reporting**

- The Ontario ONAir Regulation 127 emission inventories and the federal National Pollutants Release Inventory (NPRI) are duplicative and create a significant administrative burden, because both regulations cover primarily the same substances with different reporting and recordkeeping requirements. The federal government is currently developing a GHG reporting system which may not be harmonized with the Ontario system.
- Proposals exist to revoke Reg 127 and harmonize GHG reporting but full resolution is delayed.
- Environment Canada has proposed additional reporting obligations for process level emissions of Criteria Air Contaminants beyond those required of U.S. facilities. Therefore, this issue is coded yellow.

### **Driver Focused Telematics MOU**

- This is a new issue.
- The Canadian auto industry has proposed to enter into a Memorandum of Understanding (MOU) that would adopt guidelines for telematics devices in new vehicle designs as have been adopted in the U.S. Arrangements were made for TC to participate directly in discussions regarding the development of the guidelines.
- After TC proposed to add prescriptive requirements, some changes to the MOU and guidelines are being negotiated which hopefully will allow an agreement to be completed.
- This is coded yellow.

### **CMVSS 114**

- This is a new issue.
- TC has put in place requirements for vehicle immobilization systems that are not harmonized.
- The U.S. has no such requirements.
- The regulation contains performance requirements for which there is no test method or procedure to demonstrate compliance, contrary to government policy.
- TC without the knowledge of the Canadian industry proposed a revision to an ECE regulation which was rejected and TC added the new request to the final regulation in a manner inconsistent with regulatory process requirements.
- This is coded red.

### **Safety Regulations Review**

- A comparison of Canadian vs. U.S. vehicle safety regulations has been completed with TC. The report is attached.

### **Environment Canada (EC) Product Regulations**

- EC is developing regulations which impact automotive aftermarket products based on unique state requirements (California)
- This is coded yellow.

## Harmonization of North American Motor Vehicle Safety Standards

### Issue

- Motor vehicles are developed and manufactured for a common North American market place yet Canadian vehicle safety standards are not fully consistent with U.S. standards.

### Background

- The Canadian Automotive Partnership Council (CAPC) Harmonization Working Group was established largely to improve harmonization of Canadian Motor Vehicle Safety Standards
- Industry developed a draft list of Canadian regulations and their status as being harmonized or not relative to U.S. federal standards
- Transport Canada (TC) also conducted a comparison
- CAPC's industry members and TC staff have discussed the standards and have developed a consensus list of harmonized and non-harmonized requirements

### Harmonization Status

- 15 of 62 standards are fully harmonized
- 26 standards are currently being revised or are planned for revision by TC in a manner improving harmonization
- 7 unique Canadian regulations would apply to any one passenger car\*
- 6 unique Canadian regulations would apply to any one MPV or truck\*

### Industry Perspective

- Encouraged by efforts to improve harmonization on 26 now underway and encourage speedy resolution
- There are several requirements in the unique to Canada category that will remain a challenge for industry including:
  - Occupant protection standards (CMVSS 208 in particular)
  - Bumper standards (CMVSS 215)
  - Immobilizer requirements (CMVSS 114)
  - Lighting standards (CMVSS 108)
  - Restraint Anchorage (CMVSS 210 series proposals)

### Recommendation

Transport Canada undertake further work than planned to date to harmonize safety standards.

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\* Diesel or gas powered, more for alternative fuel vehicles