

CAPC
Regulatory Harmonization – Working Group
February 2008

Initiative	Action Plan Item	Lead	Timing	Status
Formal Harmonization Policy	<ul style="list-style-type: none"> Adopt policy with clear statements across departments dealing with auto sector CAPC should play a coordinating role Historic differences should be addressed. 	Fed – Prov	Ongoing	Y
Fuel Efficiency Regulation	<ul style="list-style-type: none"> Adopt targets consistent with NHTSA requirements (reformed CAFE) Provinces should encourage federal standards 	Fed Prov	2008 2008	Y R
Self Certification	<ul style="list-style-type: none"> Full recognition of self certification (including electronic simulation) 	Fed	2008	Y
CMVSS 208 (Occupant Protection)	<ul style="list-style-type: none"> Harmonize with FMVSS 208 	Fed	2008	Y
CMVSS 215 (Bumpers)	<ul style="list-style-type: none"> Harmonized Canadian bumper requirements 	Fed	2008	Y
Emissions Monitoring and Reporting	<ul style="list-style-type: none"> Harmonization of emissions monitoring and reporting requirements (Ont. Reg. 127/NPRI/GHG) 	Prov Ont Fed	Announced 2005	Y
CMVSS 114 (Locking and Immobilization)	<ul style="list-style-type: none"> Unique Canadian requirements without test protocols Inconsistent with import regulation (Section 12) 	Fed	NA	R
EC Product Regulations	<ul style="list-style-type: none"> Non harmonized (California) auto aftermarket products proposed 	Fed	2008	Y

Fed – Federal Government
Prov – Provincial Government
Auto – Auto Manufacturers, Suppliers
Parts – Parts Suppliers
Other

Timing
Timing: 1st or 2nd Half and Year
Proposed expected 2008

- 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.

Data as of: 01/29/2008

FMVSS VS CMVSS - SAFETY STANDARDS
EQUIVALENCE COMPARISON

Std	Name	US/Can	TC Harmonization Status					Comments	AJ File Number
			CAPC	Current	Bil/Met/Adm	Underway	Safety		
101	Controls and Displays	x		√				ISO - metric + gtr underway	10000-441
102	Transmission Control Functions	x				x		Clutch starter brake shift interlock	
103	Windshield Defrost and Defog	√	√					Update to metric - Part of legal miscellaneous amendment	
104	Windshield Wiping and Wash	√	√					Update to metric - Part of legal miscellaneous amendment	
105	Hydraulic and Electric Brakes	x		√				Review cap wording requirements - leave current requirements -possible to add tag type label	
106	Brake Hoses	x	√					TSD Proposed - TSD will resolve marking issue	
108	Lighting System and Retroreflective Devices	x				x	x	DRL & fog lamp aiming (review with rewrite 2007/8)	
108.1	Alternative Requirements for Headlamps	x						Voluntary option	
109	Passenger Car Tires	x			√			TSD Published	10000-776
110	Tire Selection and Rims	x			√			TSD in process but bilingual differences will remain	10000-775
111	Mirrors	x				x	x	No intention to revise MPV - unique SB - truck mirrors front & rear under review	
113	Hood Latch System	√	√						
114	Locking and Immobilization	x			√	x		TSD in process plus minor change to 102 - maintain immobilizer requirements	10000-892
115	VIN (see Part 565)	x			√			Off road vehicles regulated in Canada	TBA
116	Hydraulic Brake Fluids	x	√					TSD Published	
118	Power-operated Windows	x	√					TTSD Published	
119	Certain Tires Other than Passenger Car Tires				√			TSD in process	10000-776
120	Tire Selection and Rims for Vehicles Other Than Passenger Cars	x			√			TSD in process	10000-775

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121	Air Brake Systems	x					x	Review two way parking brake testing required	
122	Motorcycle Brake Systems	√	√					Future gtr	10000-793
123	Motorcycle Control & Displays			√				Bilingual requirements + Future gtr	
124	Accelerator Control Systems	x	√					TSD Published	
131	School Bus Pedestrian Safety Devices	√		√				Bilingual requirements	
135	Light Vehicle Brake Systems	x		√				ISO - same issue as 105 - leave current requirements - possible to add tag type label!	
138	Tire Pressure Monitoring	x						TPMS NHTSA unique	
139	New Pneumatic Radial Tires for Light Vehicles	x			√			TSD in process	10000-776
201	Occupant Protection	x	x				x	Review using a TSD less the NHTSA unique unbelted tests	
202	Head Restraints	x	x				x	Update after gtr finalized	1000-792
203	Driver Impact Protection	√			√			TSD or align when 208 amended (TWV + 8500 to 10000 lb GVWR)	10000-437
204	Steering Column Rearward Displacement	√			√			TSD or align when 208 amended (TWV + 8500 to 10000 lb GVWR)	10000-437
205	Glazing Materials	x	x					Yes + future gtr	
206	Door Locks and Door Retention Components	√			√			Yes + future gtr	10000-787
207	Anchorage of Seats	x					x	Pedestal seats requirements less stringent in US	
208	Occupant Restraint Frontal Impact	x			√		x	Unique US unbelted & unique Can belted requirements - current and proposed	10000-791
209	Seat Belt Assemblies	x	√					TSD Published	
210	Seat Belt Assembly Anchorages	x			√			All anchorages tested/zones - review with 208 amendment potential to harmonize	10000-791
210.1	User-ready Tether Anchorages for Restraint Systems (see 225)				√			Different labels	10000-695

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Std	Name	US/Can	TC Harmonization Status					Comments	AJ File Number	
			CAPC	Current	Bil/Met/Adm	Underway	Safety			Future
210.2	Lwr Universal Anch. Systems for Rest. Sys. & BC's. (see 225)					√			Different labels	10000-695
212	Windshield Mounting	x				√			Minor amendment with 208 (Unloaded mass)	10000-437
213.4	Built-in Child Restraint Systems	x	x					x	Minor amendment for labeling - introduce new dummies in future amendment	10000-695
214	Side Door Strength	x	x						No Canadian dynamic requirements - MOU allows US or ECE	
215	Bumpers (Pass cars only)	x					x	x	US damage/Canada safety - review with pedestrian safety gtr	
216	Roof Intrusion Protection	√				√			Amendment underway to align with the new US proposed reg	10000-891
217	Bus Window Retention and Emergency Exits		x					x	Requires updating	
219	Windshield Zone Intrusion	x				√			Minor amendment with 208 update	10000-437
220	Rollover Protection	√	√							
221	School Bus Body Joint Strength	√	√							
222	School Bus Passenger Seating and Crash Protection	√					x		Unique NHTSA seat belt requirements for small buses	
223	Rear Impact Guards	x					x		Unique Can strength requirements	
224	Rear Impact Protection	√							See 223	
225	Child restraint anchorage systems	x							See 210.1/210.2	
301	Fuel System Integrity	x				√			Revise school bus loading mass to 54 kg as part of 110/120	10000-775
301.1	LPG Fuel System Integrity						x		Unique Canadian Requirement	
301.2	CNG Fuel System Integrity						x		Fed/Prov requirements harmonized	
301.3	Fuel Integrity Three-wheeled Vehicles and Motorcycles						x		Unique Canadian Requirement	
302	Flammability	√	√						TSD Published	
303	Fuel System Integrity CNG (See 301.2)	x							Unique NHTSA requirement	

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			CAPC	Current	Bil/Met/Adm	Underway	Safety		
304	CNG Fuel Container Integrity (See 301.2)	x						Unique NHTSA requirement	
305	Electrolyte Spillage and Electrical Shock Protection	√	√				x	TSD requires updating	
401	Interior Trunk Release	x	√					TSD Published	
403	Platform Lift Systems for Motor Vehicles							Unique NHTSA requirement	
404	Platform Lift Installations in Motor Vehicles							Unique NHTSA requirement	
500	Low-speed Vehicles	x			√			Unique Canadian Definition amendment underway	10000-732
505	Vehicle Stability					x		Three wheeled vehicles only	
553	Petition for Reconsideration	x						NA-Statutory Instruments Act	
556	Inconsequential defect/noncompliance	x						MVSA update will amend	
565	VIN (see 115)	x						See 115	
566	Manufacturer identification	x						Unique US regulated process	
567	Certification	x		√				Unique Canadian Requirements-language, NSM etc.	
568	Vehicles man in two or more stages	x		√				Minor unique Canadian Requirements-NSM	
901	Axles					x		Unique Canadian Requirement	
903	C-dolly Specifications					x		Unique Canadian Requirement	
905	Trailer Cargo Anchoring Devices					x		Unique Canadian Requirement	
906	Snowmobile Trailers					x		Unique Canadian Requirement	
1106	Noise Emissions	x				x	?	No U.S. requirement for passenger vehicles	
Misc	eBTD MOU	x						Unique Canadian Requirements developed by joint industry and government WG	
Metric	Substantive regulation	x			√			NHTSA 68 kg vs Can 70 kg and 55 vs 54 kg part of 110/120	10000-775
1201	Snowmobiles					x		Unique Canadian Requirement	
1202	Snowmobile Cutters					x		Unique Canadian Requirement	

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			Current	Bi/Met/Adm	Underway	Safety		
		CAPC	20	7	20	15	9	
						7		

|CAPC
15 of 62 are the same

|Transport Canada Summary
27 harmonized to the extent possible

**Canadian Automotive Partnership Council
Regulatory Harmonization Working Group
PROGRESS REPORT – JANUARY 29, 2008**

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 three priority issues:
 - A common approach to fuel economy in Canada and the U.S.
 - Canadian Motor Vehicle Safety Standard 208 (CMVSS 208)
 - CMVSS 215

Status Report

- Since the last CAPC meeting 7 Technical Standards Documents have been completed, harmonizing 6 standards with those of the US. Disharmony in standard 209, Seat Belts was maintained contrary to industry recommendations.
- 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 has been advised by TC that action on the recommendation from the External Advisory Committee on Smart Regulation outlined below has been initiated, and the working group will be monitoring to determine if progress is being made.

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 Vehicle Safety Standards has been completed. Currently 20 of 62 standards are currently the same. Six or more unique Canadian regulations apply to any given vehicle.

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

- The working group has developed an operational definition for regulatory harmonization that spans across all departments that deal with automotive issues consistent with the recommendation of the External Advisory Committee on Smart Regulations. The operational definition has been endorsed by CAPC and non-CAPC industry members and reviewed with TC on January 24th. The operational definition was accepted with only minor editorial changes and will form the basis for moving forward with regulatory harmonization.
- 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 Regulations

- Federal government has announced its intention to regulate fuel efficiency after the period covered by the current Greenhouse Gas Memorandum of Understanding.
- The reformed 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. Currently the mix of vehicles purchased in Canada leads to a more stringent standard for manufacturers in Canada. This is the appropriate balance for the integrated NA market. The industry is encouraged by the recognition of the integrated North American market. This issue is coded yellow because a clear commitment to the same methodology and criteria necessary to maintain common product has not been made to date.
- The industry is extremely troubled by provincial proposals to regulate fuel economy. These proposals for unachievable standards would lead to reduced product availability particularly for those needing larger vehicles (families, farmers, businesses).
- Provincial initiatives are coded red.

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 now 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 in the advanced stages of 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 conducted cost benefit analysis and risk analysis conducted by a U.S. academic on elements of the proposal which hasn't been shared with industry to date. This study has not been written up and while Transport Canada is selectively using some of the data, they are not intending to present it to industry. Transport Canada has agreed to a dialogue on potential benefits in safety via harmonization vs. potential risks.
- Revised proposals continue to seek unique Canadian requirements, so this issue is coded yellow.
- It has been eight years since FMVSS 208 was finalized and TC still has not completed its analysis.

CMVSS 215

- Canada has unique bumper requirements (damageability) and is currently planning to better align this standard.
- This requirement has precluded products from the Canadian market; these are generally low volume or cost sensitive products.
- This is coded yellow and should go green this year.

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.

CMVSS 114

- 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 requirements to the final regulation in a manner inconsistent with regulatory process requirements. Recent changes to import regulations are inconsistent with CMVSS 114 with respect to immobilizer requirements.
- Recent changes to import regulations (Section 12) are inconsistent with CMVSS 114 with respect to electronic immobilizer requirements. TC has agreed to reevaluate the regulatory text regarding CMVSS 114 in an attempt to address industry concerns about a double-standard.
- This is coded red.

Safety Regulations Review

- A comparison of Canadian vs. U.S. vehicle safety regulations has been updated 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.

CAPC REGULATORY HARMONIZATION WORKING GROUP
CAPC Report Out: February 5, 2008

The CAPC Regulatory Harmonization Working Group provided an update of progress made in resolving the priority issues since the last CAPC Executive Meeting.

Introduction

- The CAPC Executive Committee reviewed the agreed upon vision of success for the Regulatory Harmonization Working Group, which was defined early in the CAPC process as the ability to sell common products in both Canada and the US. The vision specifically states, "One product, designed once, tested once and certified once, for a common North American market".
- While CAPC has not achieved this vision yet, some very significant progress has been made since the last CAPC meeting towards resolving the two top priorities for the Product Harmonization Working Group, specifically:
 1. Harmonized national fuel efficiency standards, that are aligned between Canada and the US,
 2. Common vehicle safety standards.

1) Harmonized National Fuel Efficiency Standards

- The CAPC automotive CEOs met with 4 federal Ministers (Ministers Baird, Flaherty, Cannon and Prentice) on January 29th, 2008 to discuss the development and implementation of Canadian fuel efficiency regulations that are scheduled to begin in 2011. The CAPC CEOs summarized the meeting as positive and consistent with prior meetings.
- Industry provided an overview of the serious challenges facing the Canadian auto industry:
 - The US economic slowdown is impacting Canadian production since 85% of Canadian production is exported,
 - The low US dollar / high Canadian dollar have increased business costs across the board in Canada and as a result Canada has become one of the highest cost jurisdictions in the world for vehicle production,
 - Canadian trade agreements must ensure fair trade that is two-way and that opens foreign markets for Canadian manufactured goods.
- The industry then provided an overview of the stringent new US Fuel Efficiency Standards that were included in the US Energy Bill, which was passed in December 2007:
 - The new mandated US fuel economy improvement (40%) is the single largest change in fuel efficiency in decades and represents a step-change in business and technology for the auto industry and consumers.
 - These changes will require massive investments in plants, R&D and new technologies, and are expected to increase consumer vehicle costs.
 - To put it in perspective, the new average (35 mpg US, 42 mpg Imperial, 6.7 l/100 km) that all vehicles will need to meet in the future is equivalent to the fuel efficiency of today's subcompact vehicles.
 - The timing to develop and implement these stringent new fuel efficiency standards is extremely tight and will require that all efforts be focused on developing and implementing this new national standard.
- Minister Cannon outlined the process by which Canadian fuel efficiency regulations would be developed and the key criteria for the regulatory process:
 - Canada will benchmark the dominant North American standard,
 - Canadian fuel efficiency standards will build on the GHG MOU,
 - The government of Canada is committed to the Clean Auto Pact announced in 2007,
 - The US Energy Act is a positive development as it provides certainty with respect to regulatory direction for the development of a dominant national fuel efficiency standard,
 - Canadian officials are working with their counterpart US officials on regulatory development, consistent with the goals of the Clean Auto Pact of 2007,
 - The consultation process will analyze the US national standard including the flexibility mechanisms available in the US, and will also analyze the implications of state and provincial fuel efficiency standards,
 - The government's target is to issue a draft regulation by early summer and a final regulation by year end 2008,
 - The government acknowledges that these timeframes are extremely tight.
- It was acknowledged that the Canadian fleet is already highly skewed to small vehicles and Canadians are price sensitive.
- It was acknowledged that Canadian success with respect to achieving regulated fuel efficiency would depend on the rate at which Canadian consumers adopt new vehicle technologies.
- Industry indicated that in order to maintain an integrated market, Canada's fuel efficiency curves, target formulas, calculation methodology and flexibility mechanisms all need to be fully consistent between Canada and the US.
- Industry acknowledged and repeated its support for the Clean Auto Pact and the Memorandum of Cooperation that Minister Cannon signed with US Secretary of Transport Mary Peters in 2007.

1) Harmonized National Fuel Efficiency Standards (continued)

- To support the Clean Auto Pact, Transport Canada officials are already in communication with their US colleagues regarding the development of US standards, and one possible way forward could include Transport Canada working with US NHTSA's modeling or analytical tools.
- Industry also reviewed complementary measures, which can help reduce vehicle emissions from the entire fleet. The complementary measures include: a vehicle scrappage program to encourage the removal of the oldest vehicles from the on road fleet, increased availability of alternate and cleaner fuels, consumer education regarding choosing the appropriate vehicle and vehicle maintenance, and encouraging green fleet purchases.
- There was also recognition by the Minister that the timelines to develop the fuel efficiency standard in both Canada and the US are extremely tight and so it will take all of the collective efforts of government and industry working together to get two aligned federal programs in place to meet the 2011 deadline. To meet this deadline, neither industry nor government can allow itself to become distracted from the development of the regulation.

2) Common Vehicle Safety Standards

- The CAPC Executive Committee was informed that good progress has been made since the last meeting with respect to increasing the harmonization of vehicle safety standards.
- The most important step forward since the last CAPC meeting is that Transport Canada, Industry Canada and the auto industry have agreed upon an operational definition of harmonization based on the work product of CAPC Regulatory Harmonization Working Group.
 - The focus of the definition is on common North American product – to support the vision of one product, designed once, tested once and certified once for both markets.
 - The next step with respect to motor vehicle safety standards will be to collaboratively finalize a work plan for improving alignment.
- Additional progress since the last CAPC meeting also includes the following:
 - Transport Canada is actively working on a proposal to improve the alignment of CMVSS 215 (Bumper Standard) with U.S Part 581,
 - Transport Canada has committed to open a new dialogue aimed at developing options for convergence of Occupant Protection Standards (CMVSS 208 / FMVSS 208),
 - Transport Canada will consider an option to correct the double standard created by differences between CMVSS 114 and recent amendments to Section 12, (Importation of a Vehicle Purchased in the United States) that allow importation of a vehicle that does not comply with the electronic immobilization requirements in CMVSS 114.
 - Transport Canada completed several Technical Standards Documents in the second half of 2007 so that 20 of 62 standards are now aligned.
 - Transport Canada and industry are moving forward to align CMVSS 126 with FMVSS 126 (Electronic Stability Control requirements) and towards a MOU covering the phase in period. This standard is expected to generate the most significant vehicle safety benefit since the advent of the seatbelt.
- Transport Canada has published its intent to begin or complete work to align 12 additional standards during 2008.