

# Public Policy Positions

Global Automakers of Canada 2013

## Trade Policy:

**GOAL: GAC supports the goal of liberalized global trade**

- GAC believes that goal is best achieved through fair, transparent, rules-based trade agreements
- GAC believes that trade distorting practices such as:
  - \* tariff and non-tariff barriers
  - \* local content requirements
  - \* export subsidies
  - \* import restrictions
  - \* unique standards
  - \* trade quotas/voluntary export restraints
  - \* foreign exchange balancing requirements
  - \* local tax policiesare generally inconsistent with the goal of liberalized global trade

Trade Policy

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Investment Policy

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Commercial  
Infrastructure Policy

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Public Transportation  
Infrastructure

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Retailer Relations  
Policy

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Industry/Government  
Partnership Policy

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Monetary Policy

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## Investment Policy:

**GOAL: GAC believes that federal and provincial governments should seek to establish a competitive investment climate**

- GAC believes this goal is best achieved through:
  - \* competitive corporate tax regime that takes account of the effective corporate tax rate
  - \* maximizing Canada's comparative advantages in human resources and generous scientific research and experimental development (SR&ED) tax credit system
  - \* collaborative industry/academia/government sectoral "cluster" approach to spur innovation and commercialization involving all OEM manufacturers and distributors
- GAC believes that if government investment incentives are to be offered, they should be offered on a fair, transparent and consistent basis to all manufacturers
- GAC believes that any public investment in private auto manufacturers should be time limited and should not impact the competitive landscape of the industry

## Commercial Infrastructure Policy:

**GOAL: GAC believes that commercial infrastructure policy must focus on all modes of transportation and all key external border crossings and ports of entry**

- GAC believes that as a nation with one of the highest export/GDP ratio amongst the G8 countries that Canada needs a world-class seamless, secure and efficient infrastructure network that includes:
  - \* land border crossings
  - \* sea ports
  - \* airports
  - \* national highway system
  - \* national rail system
- GAC believes that Canada must implement modern, reliable and expedient customs clearance processes such as Customs Self Assessment (CSA), Free and Secure Trade (FAST), Advanced Commercial Information (ACI) etc. to facilitate trade
- GAC believes that Canada must implement border security programs, such as Customs Trade Partnership Against Terrorism (CTPAT) and the World Customs organization (WCO) Security Framework to remove security concerns from the trade and investment equation
- GAC believes that the Southern Ontario border crossings especially the Windsor/Detroit Gateway are vital trade corridors for Canada and efforts must be made to ensure, the timeliness of shipments through the development of additional capacity to provide necessary redundancies
- GAC also believes that infrastructure should include access to reliable, cost competitive energy to sustain a viable, globally competitive vehicle manufacturing industry

## Public Transportation Infrastructure:

**GOAL: GAC believes in the freedom of individual choice for personal transportation and the concept of “modal equity”**

- GAC believes this goal is best achieved through:
  - \* avoidance of transportation mode “winners and losers” through the use of incentives or taxes to dictate the mode of transportation used to commute, or travel
  - \* not funding one mode of public transportation on the back of fees applied to another form of public transportation
  - \* appropriate investment in relevant forms of transportation fuel infrastructure to support different modes of transport

## Environmental Policy:

***GOAL: GAC believes that the environmental impact associated with the production and use of motor vehicles needs to be considered holistically considering the economic and social impacts in conjunction with the environmental impact***

- GAC believes this goal is best achieved through:
  - \* a recognition that a “systems approach” needs to be taken when considering vehicular emissions meaning that the vehicle and its fuel need to be considered together as one system
  - \* the production and sale of vehicles that meet or exceed current federal emissions standards
  - \* leadership in the introduction of advanced technology vehicles that reduce both fuel consumption and tailpipe emissions
  - \* environmental processes at member facilities that produce vehicles that are in full compliance with all environmental legislation and regulations
  - \* the avoidance of market distorting incentives. If incentives are used to accelerate the introduction and acceptance of advanced technology vehicles, these incentives should be provided on a technology neutral basis
  - \* harmonized, nation-wide standards for environmental stewardship programs
  
- GAC believes that “feebates” or taxes on new vehicles that exceed a fuel consumption threshold and rebates on new vehicles that fall below a fuel consumption threshold are both disruptive and intrusive in the automotive market and are inefficient and costly for automakers and governments alike

## Human Resources Policy:

***GOAL: GAC believes that governments should work with industry to promote and develop Canadian workers with skill sets that support vehicle production, sales and servicing***

- GAC believes this goal is best achieved through:
  - \* support for apprenticeship programs for skilled trades and automotive service and repair technicians
  - \* the re-introduction of technical programs at the public school level to expose young students to alternative career options
  - \* government support for initiatives that seek to link the human resource demands of the industry with the education curriculum at high schools, colleges and universities
  - \* government support for temporary professional mobility initiatives for those positions where there are domestic skills shortages

## Consumer Protection Policy:

**GOAL: GAC believes that consumers are entitled to complete, accurate information pertaining to the vehicle they are purchasing, along with helpful customer support from both the dealer and the manufacturer should any problem arise with their vehicle**

- GAC believes this goal is best achieved through:
  - \* harmonized consumer protection regulations across Canada
  - \* compliance with applicable government regulations and industry agreements in vehicle advertising
  - \* complete and accurate representation of vehicles for sale at retail dealerships and on manufacturer websites
  - \* service support from the manufacturer through its dealer network to address vehicle problems
  - \* support of voluntary national consumer dispute resolution programs

## Regulatory Policy:

**GOAL: GAC believes that effective governance is best achieved by regulation only where necessary, after consultation with industry and only where alternative solutions are not available. Any regulation should focus on performance-based outcomes which should be consistent across Canada and avoid inconsistency with our major trading partners**

- GAC believes this goal is best achieved through:
  - \* comprehensive consultation with the entire industry when regulation or stewardship programs are being considered, including adequate time to provide stakeholder input
  - \* consideration of alternative regulatory instruments, including voluntary codes, memoranda of understanding and other alternative measures instead of regulation
  - \* a thorough cost/benefit analysis to determine if regulation is warranted
  - \* providing sufficient notice prior to the regulatory framework being enacted
  - \* the avoidance of regulations that are contradictory or inconsistent to those of our major trading partners

## Retailer Relations Policy:

**GOAL: GAC believes that the manufacturers, dealers and dealer associations should work collaboratively, where opportunities exist, to advance their collective interests with all levels of government**

- GAC supports this goal through:
  - \* active engagement with dealers and dealer associations on public policy issues of mutual interest
  - \* involvement in the National Automobile Dealer Arbitration Program (NADAP) as a mechanism to address issues that arise in the dealer/manufacturer business relationship from time to time
  - \* active involvement in, and support for, the Automotive Business School of Canada as a premier educational institution training automotive business leaders of tomorrow

## Industry/Government Partnership Policy:

***GOAL: GAC believes that all automotive industry associations need to be represented when government enters into partnership arrangements with the automotive industry***

- GAC believes this goal is best achieved through:
  - \* working Group activities under such partnerships need to be chaired and co-chaired in a manner representative of all manufacturers and distributors
  - \* ensuring that Terms of Reference for partnership arrangements, such as the Canadian Automotive Partnership Council (CAPC) are established in a way that is inclusive and balanced with respect to all automotive manufacturers and distributors
  - \* that today's importers may be tomorrow's manufacturers and that this should be a guiding principle in the establishment of government/industry partnerships

## Monetary Policy:

***GOAL: GAC believes that as a country with a small percentage of total North American vehicle sales, the Canadian government should employ appropriate fiscal and monetary policy measures to avoid extreme fluctuations in the Canadian dollar***

- GAC believes this goal is best achieved through:
  - \* an Interest rate policy that prevents dramatic swings in the value of the Canadian dollar
  - \* intervention, where appropriate, in the currency markets to moderate the appreciation of the Canadian dollar
  - \* as a producer and distributor of a high value, and high value added, durable consumer products, the GAC believes that the automotive industry should be consulted by the government prior to any change in consumption tax policy to minimize potential adverse impacts

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**HONDA**  
The Power of Dreams



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