



**Canadian Vehicle
Manufacturers' Association**
Association canadienne
des constructeurs de véhicules

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Ms. Anne Bermonte
Director, Open for Business Branch
Ministry of Economic Development and Growth
Ontario Investment and Trade Centre
35th Floor, 250 Yonge St
Toronto, ON M5B 2L7

Subject: Red Tape Challenge – Automotive Manufacturing

Dear Ms. Bermonte:

The Canadian Vehicle Manufacturers' Association (CVMA) representing FCA Canada Inc., Ford Motor Company of Canada, Limited, and General Motors of Canada Company offers the following comments with regard to the Red Tape Challenge under the Automotive Parts Manufacturing Sector Stream. Honda of Canada Mfg. and Toyota Motor Manufacturing Canada Inc. support this letter. This letter represents the views of all of the vehicle manufacturers operating facilities in Ontario.

We recognize that under the Red Tape Challenge the Government is looking at ways to reduce the regulatory burden on Ontario businesses and is committed to developing modern, outcome-focused and evidence based regulations that at the same time protect consumers, workers and the environment as well as foster conditions for job and economic growth.

Reducing red tape and regulatory burden provides greater efficiencies for both government and industry and is essential for enhancing Ontario's competitiveness. However, the Government must address the fundamental underlying structural competitiveness issues of electricity rates and the Cap and Trade program in order to create the right climate for growing Ontario's economy and jobs. Ontario is becoming overly burdened with regulatory complexity and unnecessary costs, which if addressed effectively, will help elevate the province for consideration of new manufacturing investment.

The following issues have been identified for this sectoral Red Tape Challenge stream.

Toxic Reduction Act Regulations (O. Reg. 455/09). This regulation is duplicative of the federal National Pollutant Release Inventory (NPRI) with additional unnecessary administrative requirements (i.e. accounting and toxic reduction planning), and of existing companies' environmental management systems (EMS). The regulation fails to provide equivalency for a facility or company that has an established EMS with specific reduction objectives and targets. In 2018, toxic reduction plans will need to be reviewed and now is an

opportune time to review the objective of the regulation and its intended outcome. The regulation needs to be simplified or its duplicative requirements removed.

O. Reg. 127/01, Airborne Contaminant Discharge Monitoring and Reporting: This is an obsolete regulation. For more than 10 years, the Ministry has been collecting release data for acetone. Companies track and report this substance. It is unclear what has been done with the information and what is the concern. The regulation should be rescinded.

Approvals, Environmental Compliance Approvals (ECA): The delays in application review and in granting approvals continues to be an issue. Approvals timing needs to be expedited.

Approvals, Environmental Activity Sector Registry (EASR): Under the EASR stream, facilities with existing ECAs must go through an administrative process under Section 20.18 to keep an EASR activity within their existing ECA. This is an unnecessary administrative burden.

Waste: Labelling everything as a “waste” is not appropriate. To improve waste management and create a circular economy, waste must be viewed as a resource. MOECC needs to remove regulatory barriers under O. Reg. 347 to allow effective movement of materials for efficient handling and/or other use until the materials actually become waste.

Liquid Fuels Handling Code: The auto manufacturing facilities have very similar processes for fuels handling activities, and in particular for the first-fill fuelling of new vehicles at the production facility (inside the building). Under the Liquid Fuels Handling Code each facility, even those within the same company must apply for the same variance under the Ministry of Government and Consumer Services and existing TSSA requirements. It is a duplication of effort as essentially the same variance application needs to be submitted multiple times which requires significant engineering time and expenses for the same work with no added safety benefits. A variance that allows for coverage of multiple sites or an exemption for first-fill fuelling in automotive assembly operations is needed.

Renewable Energy Approvals (O. Reg. 359/09): The requirement to obtain a renewable environmental assessment approval for on-site co-generation facilities that would burn renewable fuels like landfill gas is burdensome and creates significant delay and uncertainty. Flexibility is needed to avoid unnecessary administrative burden and to promote the use of renewable fuels to reduce GHG emissions.

Provincial Gas Tax Refunds: Under the Ontario Gasoline Tax Act, R.S.O. 1990, Section 4.8, Export of Fuel, Ministry of Finance, Motor Fuels & Tobacco Tax, evidence needs to be provided for export and delivery for every exporter who delivers fuel to a person outside Ontario. This evidence must be provided in the form and manner required by the Minister. Under this, OEM's recover the tax they paid for the fuel in the vehicle tanks exported out of Ontario by providing a substantial amount of documentation to support the claim. Companies should be able to provide data electronically or alternatively, the government should rely on a company's internal system as being sufficient to substantiate the claim.

We look forward to continuing to work with the government on reducing the administrative and cost impacts of regulations. Please do not hesitate to contact me directly should you have any questions.

Yours sincerely,

A handwritten signature in black ink, appearing to read "M. Nantais". The signature is fluid and cursive, with a period at the end.

Mark A. Nantais
President

cc: J. Washburn, Ministry of Economic Development and Growth

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