

Remarks to the Senate Standing Committee on Legal and Constitutional Affairs

*Bill C-69 An Act to implement certain Provisions of the budget tabled in
Parliament on April 16, 2024.*



Canadian Vehicle Manufacturers' Association

June 5, 2024

Chair, Honourable Senators, thank you for the opportunity to participate in your study of Bill C-69 *An Act to implement certain Provisions of the budget tabled in Parliament on April 16, 2024*.

We congratulate the government on bringing together stakeholders as part of the development of the National Action Plan on Combatting Auto Theft and the early progress that has been achieved. Important funding announcements targeted to the CBSA to expand capacity to detect and search containers with stolen vehicles and to police forces to strengthen their capacity to deal with international organized crime are also positive steps forward to address this issue - but more is needed.

Auto manufacturers are deeply concerned about the rise in car theft in Canada. The industry is actively working with stakeholders, including federal, provincial, and municipal governments, insurance, and law enforcement, to understand challenges and find solutions to deter vehicle theft.

Manufacturers are continually innovating and improving anti-theft measures to strengthen vehicle security for their customers. Examples include passive ignition immobilization with encryption systems, active warnings in the event of unauthorized vehicle entry/movement, parts marking, hidden VIN markings, stolen vehicle location services, software updates, and software lockdowns to prevent programming of extra keys/FOBs.

But manufacturers alone cannot reduce auto theft rates in Canada. Effective solutions to the theft crisis depend on correctly diagnosing the source of the problem. Vehicle theft rates have grown much faster in Canada than in the United States since 2021. This is despite stronger regulatory requirements for Canadian vehicles in the form of mandatory engine immobilizers and the fitment of the same technologies in new vehicles in both countries.

Sophisticated transnational organized crime groups have targeted Canada where the risk of prosecution is low, and the financial reward is high.

To successfully combat vehicle theft, we have called for stronger efforts to combat organized crime groups and close the export market for stolen vehicles. The measures included in Bill C-69 to combat auto theft are a

step in the right direction. Specifically, amendments to the *Criminal Code* and *Radiotelecommunications Act* will ensure there are real consequences for vehicle thieves and make it more difficult acquire and use vehicle theft devices.

But these measures alone will not end the vehicle theft crisis. Additional action is needed including the following:

- 1) **Funding for law enforcement:** Law enforcement agencies require more resources to tackle vehicle theft. Expanded authorities for local law enforcement to access intermodal facilities based on stolen vehicle intelligence would also help stem the movement of stolen vehicles domestically.
- 2) **Resources for Canada's Border Services Agency (CBSA):** Investments into personnel, container imaging machines and remote VIN verification technologies would help stem the flow of stolen vehicle exports. The recent recovery of 598 stolen vehicles at the Port of Montreal underscores the vulnerabilities at Canada's ports.
- 3) **Policy coordination:** Auto manufacturers are being asked to increase vehicle security while simultaneously being regulated by "right to repair" legislation to provide full access to the data stored and transmitted by vehicles beyond what is needed for repair. This works directly against the efforts of auto manufacturers to keep vehicle systems secure.

And finally, no solution is complete without ongoing collaboration between auto manufacturers, governments, and law enforcement agencies. We are committed to continued engagement and thank you for the opportunity to appear here today.

Thank you. I look forward to any questions.