







Moving Forward provides recommendations for developing standards, programs and measures to improve fuel efficiency and reduce greenhouse gas emissions from Manitoba's private light-duty fleet as required by The Climate Change and Emissions Reductions Act.



Given the economic challenges facing the automobile industry, a single regulatory regime consistent across jurisdictions will help to minimize compliance costs faced by manufacturers.

## **Summary of Key Findings**

### Vehicle Standards in the U.S. and Canada

- Under The Clean Air Act the United States
   Environmental Protection Agency (EPA) sets
   emissions standards for new motor vehicles.
   The U.S. government introduced its first
   Corporate Average Fuel Economy (CAFE)
   standard in 1973, and passed new revised
   standards in 2007.
- California may also adopt state standards for new motor vehicles if the administrator of the EPA grants a waiver. Other states may adopt emissions standards for new motor vehicles if they are identical to the California standard. The EPA has historically granted waivers to California.
- In 2004 California enacted a bill to set unique standards for greenhouse gas emissions and requested a waiver from the EPA; this request was denied. On entering office the Obama administration asked the EPA to reassess the decision to deny the waiver.
- Eighteen states and four provinces (British Columbia, Manitoba, Québec and Nova Scotia) have drafted legislation or signalled support for the California standard. These jurisdictions comprise 46 per cent of the North American vehicle market.
- Québec and B.C. have passed legislation to adopt the California standard and have developed regulations that are contingent on EPA approval of California's waiver.
- In Canada, vehicle standards have been implemented through a voluntary agreement with manufacturers. The federal government committed to developing mandatory regulations by the end of 2008 but missed this deadline.



#### Vehicle Purchase and Use Trends in Manitoba

- In Manitoba, light-duty vehicles (passenger cars and light trucks) comprise 15 per cent of all greenhouse gas emissions in the province, and 43 per cent of all emissions from all transportation activities. Between 1990 and 2006 emissions from all light-duty vehicles in Manitoba increased by 21.6 per cent; with most of this increase coming from the light-truck category (which includes small vans and SUVs).
- Between 1996 and 2006 the total stock of all light-duty vehicles in Manitoba increased by 37 per cent. The stock of passenger cars has remained relatively flat, while light trucks (including small vans and SUVs) have increased by 88 per cent.
- From 1996 to 2007, Canada experienced a 6.5 per cent increase in total annual lightduty vehicle kilometers traveled; over the same period Manitoba experienced an increase of 27 per cent, the highest among all Canadian provinces.
- From 1996 to 2006, the proportion of Canadians commuting to work by car decreased by 1.3 per cent, in Winnipeg this proportion increased by 1.4 per cent; the largest increase among 35 metropolitan areas surveyed.
- From 1996 to 2006, the number of Canadians using public transit to commute to work increased from 10.1 per cent to 11.0 per cent. In Manitoba, this number declined from 9.8 per cent to 8.9 per cent.

### **Developing a Tailored Approach for Manitoba**

- The California standard will achieve deeper greenhouse gas reductions earlier and is the Board's preferred option; however, Manitoba accounts for only 2.8 per cent and 0.26 per cent of the Canadian and North American new car market respectively. Board recommendations consider Manitoba's small market influence.
- Vehicle standards will have limited impact on reducing greenhouse gases if current vehicle purchase, ownership and use trends continue. Complementary measures to help Manitobans reduce light-duty vehicle emissions should be given equal consideration by the Manitoba government.

### Recommendations for a Vehicle Standard in Manitoba

# The Vehicle Standards Advisory Board recommends that Manitoba:

- Monitor the EPA's position on the California standard. If California is granted a waiver, Manitoba should adopt the California standard following independent economic analysis to ensure that this will not result in hardship for Manitoba businesses and consumers, and proceed based on the results of this analysis.
- Support a single dominant North American standard that incorporates the strengths of both the revised CAFE standard and the California standard and achieves greenhouse

- gas reductions equivalent to the standard proposed by California.
- Adopt California's new vehicle labeling program designed to help consumers choose the most environmentally friendly vehicle that meets their needs.
- Communicate Manitoba's preference for the California standard to Canada's federal government and to provincial and territorial ministers.
- Ensure that the provincial government fleet meets or exceeds the California standard while maintaining and improving the functional and safety needs of the fleet.



## **Recommended Complementary Measures**

The Vehicle Standards Advisory Board recommends Manitoba undertake the following complementary programs and measures:

### 1. Reduce emissions from existing vehicles

- Promote fuel efficiency through programs on vehicle maintenance, tire inflation, reduced idling, and voluntary mobile emissions testing.
- Work with Manitoba fuel retailers to ensure the public has convenient access to onsite air compressors at all filling stations. Encourage government fleets to locate air compressors in parking areas for easy access by staff.
- Develop a strong green driver training program, and make education materials available at automobile dealerships and insurance offices.
- Broaden programs to scrap older vehicles and provide incentives to shift to cleaner vehicles or public transit.
- Limit the salvage auction of pre-1995 vehicles undertaken by Manitoba Public Insurance to vehicles for parts only.
- Assess the practicality of integrating emissions testing into vehicle safety inspections.
- Maintain and enforce current highway speed limits in Manitoba and improve the synchronization of traffic lights.

# 2. Encourage consumers to purchase low-emitting vehicles.

 Replace Manitoba's Hybrid Electric Vehicle Rebate program with a greenhouse gas reduction-based vehicle rebate that may include a surcharge on high-emitting vehicles. This program should be developed in consultation with stakeholders and include thorough analysis of impacts on businesses and consumers.

 Develop consumer awareness programs that encourage Manitobans to select the right vehicle based on intended use.

### 3. Help Manitobans drive less.

- Support active transportation infrastructure throughout Manitoba.
- Improve transit services throughout the province and develop rapid transit.
- Starting with the public sector, require large employers to develop and offer mandatory workplace transportation demand management programs that promote ridesharing, public transit, walking and cycling.
- Encourage Manitoba student organizations to develop options for integrating discounted bus passes into annual student fees.

# 4. Develop and demonstrate vehicle and fuel advancements.

- Evaluate new and emerging vehicle technology such as plug-in hybrid electric vehicles, electric vehicles, and vehicle-to-grid technology.
- Provide support to light-duty fleets for testing new technologies and measuring emission reductions.
- Continue to promote the production and use of alternative fuels such as ethanol, biodiesel and other renewable diesels, using small local production and distribution. Encourage the development of second generation (non-food-based) feed stocks.



Uncertainty regarding the California standard and the lack of a national standard in Canada necessitate a strategy tailored specifically for Manitoba.





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