



Legislative Assembly of Alberta

The 29th Legislature  
Second Session

Standing Committee  
on  
Families and Communities

Bill 203, Fair Trading (Motor Vehicle Repair Pricing  
Protection for Consumers) Amendment Act, 2016

Monday, January 23, 2017  
8:35 a.m.

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**Legislative Assembly of Alberta  
The 29th Legislature  
Second Session**

**Standing Committee on Families and Communities**

Goehring, Nicole, Edmonton-Castle Downs (ND), Chair  
Smith, Mark W., Drayton Valley-Devon (W), Deputy Chair

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Babcock, Erin D., Stony Plain (ND)\*  
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Luff, Robyn, Calgary-East (ND)  
McKittrick, Annie, Sherwood Park (ND)  
Miller, Barb, Red Deer-South (ND)  
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Swann, Dr. David, Calgary-Mountain View (AL)  
Yao, Tany, Fort McMurray-Wood Buffalo (W)

\* substitution for Annie McKittrick

**Also in Attendance**

Anderson, Wayne, Highwood (W)  
Carson, Jonathon, Edmonton-Meadowlark (ND)

**Bill 203 Sponsor**

Carson, Jonathon, Edmonton-Meadowlark (ND)

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## **Standing Committee on Families and Communities**

### **Participants**

Canadian Independent Automotive Association, Alberta Chapter .....	FC-491
Nancy Suranyi, Owner-operator, Namao Automotive Repair Ltd.	
Recreation Vehicle Dealers Association of Alberta.....	FC-492
Ross Hodgins, Dealer Principal, St. Albert Honda and RV City	
Motor Dealers' Association of Alberta.....	FC-499
Doug Airey, General Manager, Western GMC Buick	
Denis Ducharme, President, Motor Dealers' Association of Alberta	
Richard Mottershead, Dealer Principal, Derrick Dodge	
Deen Romano, Service Manager, Edmonton Motors	
Alberta Motor Vehicle Industry Council .....	FC-505
Douglas Lagore, Executive Director	
Alberta Motor Association.....	FC-506
Jeff Kasbrick, Vice-president, Government and Stakeholder Relations	
Canada's Building Trades Unions .....	FC-506
Robert R. Blakely, QC, Chief Operating Officer	
Jiffy Lube.....	FC-512
Debbie Dresen, Vice-president, Business Development	
Prairie Lube .....	FC-513
Jason Guenter, Chief Executive Officer	
NAPA Canada .....	FC-514
Mike LaRocque, District Manager	
OK Tire.....	FC-514
Elaine Walton, Owner-operator	
Signature Tire Rimbey.....	FC-515
Melvin Durand, Manager	
Fountain Tire Northland .....	FC-515
Brent Hesje, Chief Executive Officer	
Harold's Auto Service .....	FC-516
Beverly Kaltenbruner, Owner-manager	



8:35 a.m.

Monday, January 23, 2017

[Ms Goehring in the chair]

**The Chair:** Good morning and sorry for the delay. The building had a different plan for us this morning. Now that we're here and we're ready to start, I'd like to thank everybody for coming, and I'd like to call the meeting to order.

Welcome, members, staff, guests in attendance for this meeting of the Standing Committee on Families and Communities. My name is Nicole Goehring, the MLA for Edmonton-Castle Downs and chair of this committee. I'd ask that members and those joining the committee at the table introduce themselves for the record, and I will then call on members joining the meeting via teleconference. I'd like to start to my right.

**Mr. Smith:** Mark Smith, Drayton Valley-Devon, deputy chair.

**Mr. Yao:** Tany Yao, Fort McMurray-Wood Buffalo.

**Mr. Rodney:** Dave Rodney, Calgary-Lougheed.

**Mrs. Aheer:** Leela Aheer, Chestermere-Rocky View.

**Mr. Hodgins:** Good morning. Ross Hodgins, representing the RVDA of Alberta.

**Ms Suranyi:** Good morning. Nancy Suranyi, representing the Alberta chapter of the Canadian Independent Automotive Association.

**Mr. Hinkley:** Good morning. Bruce Hinkley, MLA, Wetaskiwin-Camrose.

**Ms Miller:** Good morning. Barb Miller, MLA, Red Deer-South.

**Mr. Horne:** Good morning. Trevor Horne, MLA for Spruce Grove-St. Albert.

**Mr. Carson:** Good morning. Jon Carson, MLA for Edmonton-Meadowlark.

**Ms Babcock:** Good morning. Erin Babcock, Stony Plain.

**Drever:** Good morning. Deborah Drever, MLA, Calgary-Bow.

**Mr. Shepherd:** Good morning. David Shepherd, MLA for Edmonton-Centre.

**Ms Robert:** Good morning. Nancy Robert, research officer.

**Dr. Massolin:** Good morning. Philip Massolin, manager of research and committee services.

**Mrs. Sawchuk:** Karen Sawchuk, committee clerk.

**The Chair:** Now on the phones?

**Dr. Swann:** Good morning, all. David Swann, Calgary-Mountain View.

**Ms Jansen:** Good morning. Sandra Jansen, Calgary-North West.

**Ms Luff:** Good morning. Robyn Luff, Calgary-East.

**Mr. W. Anderson:** Well, good morning. Wayne Anderson, Highwood.

**The Chair:** Thank you.

For the record I'd like to note the following substitution: Ms Babcock for Ms McKittrick.

A few housekeeping items to address before we turn to the business at hand. The microphone consoles are being operated by the *Hansard* staff, so there's no need for members to touch them. Please keep cellphones, iPhones, and BlackBerrys on mute and off the table. Audio of committee proceedings is streamed live on the Internet and recorded by *Hansard*. Audio access and meeting transcripts are obtained via the Legislative Assembly website.

Up next is the approval of the agenda. Would a member move a motion to approve? Thank you, Member Drever. Moved by Member Drever that the agenda for the January 23, 2017, meeting of the Standing Committee on Families and Communities be adopted as submitted or circulated. All in favour of the motion? On the phones? Any opposed? Thank you. The motion has been carried.

Next is approval of the meeting minutes from November 16, 2016. We have the minutes from our last meeting. Are there any errors or omissions to note? Seeing and hearing none, would a member move adoption of the minutes, please? Moved by Ms Babcock that the minutes of the November 16, 2016, meeting of the Standing Committee on Families and Communities be adopted as circulated. All in favour of the motion? On the phones? Any opposed? Thank you. The motion is carried.

Oral presentations on Bill 203, Fair Trading (Motor Vehicle Repair Pricing Protection for Consumers) Amendment Act, 2016. The committee is hearing oral presentations today respecting its review of Bill 203. The participants have each been invited to make a five-minute presentation regarding Bill 203, after which I will open the floor to questions from members.

Our first panel, the industry associations, is scheduled from 8:45 a.m. to 9:30 a.m. I'd like to welcome the representatives from the Canadian Independent Automotive Association, Alberta chapter, the CIAA, Ms Nancy Suranyi, owner-operator of Namao Automotive Repair, and from the Recreation Vehicle Dealers Association of Alberta, the RVDAA, Mr. Ross Hodgins, RV City and St. Albert Honda.

I will ask each of you to begin your presentations by introducing yourselves for the record. We'll begin with the CIAA, so go ahead, please.

#### Canadian Independent Automotive Association, Alberta Chapter

**Ms Suranyi:** Good morning, Madam Chair and committee members. Thank you very much for allowing us to speak before the committee regarding Bill 203, the Fair Trading (Motor Vehicle Repair Pricing Protection for Consumers) Amendment Act, 2016. My name is Nancy Suranyi, and I will be presenting on behalf of the Alberta chapter of the Canadian Independent Automotive Association, otherwise known as CIAA. We represent what is commonly referred to in the industry as the independent shops. Our membership spans from two- to three-bay mom-and-pop operations right up to the big 18-bay, branded-type facilities such as NAPA Autopro or OK Tire.

Our presentation today will be given in a very broad and general format in order to accommodate the five-minute time limit. However, the handout we have provided for you is the detailed version, with specific cross-referencing of Bill 203 to the existing regulations and then providing specific comments and notes on each section. I am an owner-operator of a second-generation repair shop that works on everything from small cars to big trucks and employs licensed automotive, heavy-duty, and even RV technicians. I have also had the honour to serve on various boards

and committees, provincially and nationally, proudly representing this industry. This includes a four-year term on the AMVIC board of directors, of which for part of that time I held the executive chair position and, upon completion, transitioned to serve as the service and repair member representative with the AMVIC society, which I currently hold.

These positions and experience provide me with a unique perspective on Bill 203 and a clear understanding of the unintended consequences and impact it would have from a practical sense. With that in mind, I implore you to please ask many questions at the end of this presentation such as: how will Bill 203 affect proper diagnosis of vehicles and potentially increase costs and timeframes on the return of vehicles? What are some of the conflicts and redundancies? Or, if Bill 203 can't, then what can be done to increase consumer protection? By asking questions such as these, I will be able to assist you in better understanding our concerns.

The CIAA, through careful review of Bill 203 and subsequent meetings with MLA Carson, fully supports the intent and spirit of this bill, which is to create stronger consumer protection. Each one of us in this room is an Alberta consumer who wants to ensure that we are not only protected but also treated fairly when making purchases. I understand that automotive repair can be a scary purchase because for most it is out of the scope of knowledge, meaning that they are at the mercy of the provider and must trust that what they are doing is in their best interest. But it is this trust and reputation of providing service that our businesses have been built on, no different than choosing a doctor or veterinarian.

We understand Mr. Carson's intent behind the bill. Unfortunately, though, Bill 203 will not be able to achieve this intent, and we see that for three primary reasons. The first is that it has major enforceability challenges due to conflicts, redundancy, and vagueness relative to the already existing legislation. Secondly, unintended consequences counterproductive to the intent will be triggered such as prolonged servicing times, increased costs, potential environmental impacts, and reduction in consumer protection. Thirdly, it does not address what the real problem is and where the largest impact could actually be made, which is consumer education. The legislation already exists. We are regulated and have rules we abide by. The problem is that consumers don't know that, nor do they know what to do or where to go when a problem occurs. We are very lucky to have a body such as AMVIC regulating consumer protection and doing so at no direct cost to the consumer.

I've read each submission letter that was written to this committee supportive of the bill, yet there was no discussion citing that the current legislation is ineffective and that Bill 203 is the right direction in which to fix it. In fact, there was virtually no discussion about the current FTA because I don't believe that they knew it existed. Even MLA Carson, the sponsor of this very bill, was unaware of all the protections available and, as such, utilized a copy-and-paste technique with legislation from Manitoba and Ontario to construct Bill 203.

I don't blame MLA Carson. In fact, I challenge each of you to think about how much you really knew about all of the protections available to each of us prior to Bill 203 crossing your desk. To make a difference, we need to educate and inform Albertans. If they are equipped with the knowledge of the FTA and AMVIC, then it empowers them every time they step into one of our shops or dealerships, not only for their service and repair experience but also for their car-buying experiences as well.

You have the power to either recommend or not recommend that Bill 203 be passed to the next phase, but allow me to conclude with this final thought. Even if it was enforceable, which it's not, and even if it was worded to protect consumers more, which I don't believe it does, it still wouldn't matter because unless the

consumers know how it would be done, the needle will never be able to be moved toward stronger consumer protection. Let's do this right. Let's first identify specifically what we are looking to achieve, then carefully examine the existing structure and figure out from there what is missing or what needs to be reworked to achieve it. Doesn't that make more sense, as opposed to what Bill 203 has provided us, which is not much more than a catchy sound bite easy for everybody to support? It's equivalent to essentially being able to have a look at your neighbour's furniture, liking what it looks like, and just buying the same thing and putting it in your own living room and hoping that it just has a good fit and it's going to be functional.

As such, on behalf of the CIAA, we respectfully request that the Standing Committee on Families and Communities put forth a recommendation that Bill 203 not be passed into law.

Thank you very much for this time to allow us to speak.

8:45

**The Chair:** Thank you.

We'll now hear from the RVDA. Please introduce yourself for the record and then proceed with your presentation.

### Recreation Vehicle Dealers Association of Alberta

**Mr. Hodgins:** Good morning, Madam Chairman, committee, and guests. My name is Ross Hodgins. I am a member presenting on behalf of the RVDA. Dan Merkowsky, who is our executive vice-president for the RVDA, has asked me to present on behalf of our members. Respectfully, Mr. Merkowsky was unavailable for today's session. On October 12, 2016, Mr. Merkowsky submitted concerns that the RVDA has about the process by which Bill 203 was drafted and the lack of public consultation and their engagement with stakeholder associations.

I have served the RV industry as a former RVDA board member, president, and past president. I've also served on the AMVIC board and was a member of the Salesperson Appeal Committee. Currently I'm an active business owner in the automotive industry at the business of St. Albert Honda and the RV industry with RV City.

Thank you for offering the RVDA of Alberta an opportunity to present our input on the proposed Bill 203. The membership of the RVDA of Alberta consists of full-service RV dealers, sales-only RV outlets, service-only RV outlets, associate members, and campgrounds. As a matter of record, all RVDA members that offer sales and/or service products are licensed under AMVIC. AMVIC is in place to protect the public interest and promote trust and confidence in the motor vehicle industry. This is accomplished through consumer communication and best practices with industry stakeholders.

As an association whose members support laws and regulations that protect consumers, the RVDA is concerned about the omissions and the lack of clarity in the proposed Bill 203. The key omission relates to the definition of motor vehicle. In Bill 203, item 57.1

- (b) "motor vehicle" means a motor vehicle as defined in the Traffic Safety Act, or as that definition is amended by the regulations"

versus the current Fair Trading Act. In the automotive business regulation's definition 1(1):

- (k) "vehicle" means
  - (i) a motor vehicle as defined in the Traffic Safety Act, but does not include a motor cycle or off-highway vehicle as defined in that Act, and
  - (ii) a recreational vehicle intended to be towed that combines transportation and temporary living accommodations for the purpose of travel or camping.

The current Fair Trading Act definition is inclusive of all RV product types, whereas Bill 203's definition leaves our members with questions.

As it relates to the RV industry, is the intention of Bill 203 to reduce the scope of the Fair Trading Act? As it relates to the RV industry, is the intention of Bill 203 to remove towables from the Fair Trading Act? How is this action promoting consumer protection? As a point of clarity, in Alberta motorized RVs, which are class As, Bs, and Cs, account for approximately 20 per cent of the total recreational product sold, whereas towables – travel trailers, fifth wheels, truck campers, tent trailers – account for approximately 80 per cent of what is sold. Currently Bill 203 in its format does not take into account 80 per cent of the segment of our products.

Other key areas the RVDA is concerned about regarding the proposed Bill 203 relate to lack of clarity and understanding regarding estimates, estimate fees, parts, policies, and warranties. The RV industry, while professional in nature, lacks certain technology to provide a consumer with an estimate for work until further investigation is completed. As it relates to estimate fees, the RVDA has communicated that this is a case-by-case situation. It depends upon whether or not through the process of inspection it can be determined to be the cause in this action, part of the repair, or as part of the actual inspection.

Bill 203 attempts to introduce details about estimates and estimate fees; however, one-size-fits-all legislation may not be in the best interest of the consumer. Item 57.2(1) is not practical for the RV industry as an estimate in most cases is not possible without initial investigation. The current Fair Trading Act does not specifically deal with estimates or related fees but does outline best practices under general conditions.

As it relates to parts policies, the RVDA agrees that it is best practice to return parts to the consumer if the consumer so desires. Candidly, 57.9(2)(b) of the proposed Bill 203 may not be possible as many of the large items with RVs are quite large, such as walls, caps, windows, awnings. If customers want them back, by all means, but I don't know where they're going to store them.

The RVDA feels that the current automotive business regulation section 12(n) is clear and does not require extraordinary measures to look after the customer. As it relates to warranty, 57.11, the RVDA is questioning the practicality and necessity to modify the current Fair Trading Act provisions. Section 57.11(2)(i) of the Fair Trading Act is clear and not open to further interpretation. Best practices in the RV business take into account the seasonality of our industry. Warranties on repairs generally begin when the consumer begins using their product. Imposing a specific timeline, as in 57.11(1), on repair warranty may unintentionally negate the consumer's actual provision for warranty.

The RVDA is concerned about the generality of interpretation with language and related enforceability in sections 57.11(3), (4), (5), (6), and (7). Regarding 57.11(8) RVDA of Alberta respectfully submits that this goes beyond the scope of the Fair Trading Act. Parts suppliers are not subject to the Fair Trading Act and subsequently not regulated by AMVIC, making this provision unenforceable.

In closing, the RVDA appreciates having a voice at the table. Increased consumer awareness will boost consumer protection. AMVIC's mandate to better educate the consumer needs additional attention. Bill 203 does not succeed in enhancing consumer protection, and to this end the RVDA respectfully submits that Bill 203 is unnecessary and should be recalled.

**The Chair:** Thank you very much for your presentations.

I will open the floor for questions from committee members, and I will ask the presenters to identify themselves prior to responding to a question. I have Mr. Rodney up first.

**Mr. Rodney:** Thank you very much, Madam Chair. Thank you both to Nancy and Ross for your presentations and all the folks at CIAA and RVDA. Now, I have had many, many constituents contact me since this was tabled, and I can tell you that absolutely none of them has been supportive.

Five minutes is not a long time. I appreciate that you did what you could. Nancy, you had a number of questions you were hoping we'd ask. I'd like an answer to those questions. Ross, if you could, what were you hoping to say that you couldn't put into five minutes? The floor is yours.

**Ms Suranyi:** Excellent. Thank you for asking that. Some of the questions that I had posed to be asked had to do with – we'll start with the conflicts and redundancies and whatnot. Some of the conflicts are right down to the terminology of it. I'll use a couple of examples. Again, in the chart that I provided to you, the way that we had laid it out is that the first column has what the proposed Bill 203 has, and then we made it relative to the current Fair Trading Act, which will show whether or not a redundancy occurs or a conflict, and then we have the comments in the third column.

Just to pick an example of one, however, when it talks about the definition of motor vehicle, right now this is saying that it will define it as "a motor vehicle as defined in the Traffic Safety Act." The current one actually has a clause in it, and what that does is that it removes motorcycle and off-highway vehicles. They don't fall under the umbrella of the licensing of AMVIC right now, and since AMVIC is the one that will be enforcing it, it makes it difficult to do the enforcement section of it as well as it conflicts with what the current legislation is. That's one example of that section to it.

Enforceability. Ross had touched on it later on, too, and warranties, and I think you'll hear from some other people later on during the day on this. It's nice that it shows at the end that as a shop owner I can go to my parts supplier to recoup the cost loss if I have a consumer that has to incur towing charges and there's a warranty claim and it's due to a faulty part on it. But, again, that's out of the realm and the scope of what AMVIC licenses, so I'm not certain how that will be enforceable for them to be able to help me recoup that cost on the back end.

Increased costs. One of the biggest concerns that the CIAA holds right now with Bill 203 is the estimating section on it. It has essentially taken our ability to do diagnostics out of the picture. We have tens of thousands of dollars if not hundreds of thousands of dollars in equipment and tooling that we have to be able to do it.

8:55

The reality is that in an automotive service repair shop to do a diagnostic on a vehicle, you're using your most expensive technician on your most expensive piece of equipment, doing the least amount of productive work on it, no different than a doctor would be in an office. They are the doctors. The vehicle comes in and it has an issue, and now they have to try and figure out what that is. Being able to say that if the consumer agrees to the estimate for it in a timely fashion, we are no longer allowed to charge that fee would be the same as going into a dentist's office and getting your X-rays done and saying: okay, yeah, we're going to fix that cavity. Well, now the dentist can no longer collect the fees for what it cost for that X-ray machine. We need to be compensated for that.

Where you'll see the increased fees is if you start to cap what that looks like or take the ability away. We still have to pay out our costs for our technicians, our bays, our licensing. All of those fees are

still in, so they need to be made up somewhere else. It draws the question as to what that will look like. Is it going to be increased door rates that we're going to see in the form of that? Are people going to get creative? You know, maybe it's going to start to be a hoist rental amount. I mean, I'm not sure what that's going to look like, but at the end of the day the repair shops still need to recoup their costs. It's just a matter of shuffling the numbers from one way to another, and you always run the risk of increasing what the repair costs are going to be with that on it.

When it gets into the section that deals with approving estimates and stuff and getting authorization for it, if it goes specifically only to writing – I'm sure each of you has had repair experiences. The typical day is that a consumer will come in and say, "I have this noise" or "This light is on." We will give them an estimate that they sign at drop-off that says what that's going to cost, and then typically a service adviser will contact them. These days sometimes it's done via texting, e-mailing, or whatnot to get the approval as to what the next fee is going to be to be able to do the repairs. If we have to wait solely on nothing more than a signature being brought back, you're going to have a delay in vehicles being repaired. Some of the smaller shops that are technician-per-bay based cannot afford to do that because the vehicles need to be moved. If you've got a vehicle that's torn down and it's sitting on top of a hoist and we're waiting on approval that doesn't come in a timely fashion, to put that back together, there are added costs that come along with it. You risk that the vehicle isn't going to be done by the end of the day for that consumer as well. So it depletes what the experience is.

Another example where decreased protection comes in on Bill 203 is the 10 per cent rule. Currently we are not allowed to charge anything past 10 per cent of the most current estimate to a maximum of \$100. The way that this was written it took out the \$100 cap. It isn't uncommon to have a \$5,000 repair order for some of these repairs. Now that that \$100 cap is taken out, technically we would be allowed to charge 10 per cent on that \$5,000.

These are just a couple of the examples with it. When you start getting into the return of parts, we already do that and best practices show it. A lot of shops run what's called a bin system. Essentially, the repair order number goes on there so that as new parts come in, they get put into the bin for the technician, the technician collects them, and then the used part goes back in so that the service adviser can pull it out and show it.

New technologies are coming up. We're using iPads now. We're sending videos and pictures of the parts straight on the vehicle. This is going to become more and more common. I would estimate that within the next 10 years that's how it's going to be done. They're not going to necessarily need to see the used parts because they're going to see it on their vehicle in real time. The fact that it comes in here to say that those parts have to be legislated to be put in a clean container is a little bit, you know, of a shot at us with it as to why we wouldn't. We're service repairs. We're a professional industry.

Again, I appreciate the intent with it, but I just think that it should have been done in a different format. Let's get the education out there. Let's see if that makes the difference. I've been in meetings with Service Alberta recently where we've discussed that within the next two years we're hoping to open the act up again because there are some amendments that we're looking to be made from the AMVIC side of things. Let's push a consumer education agenda forward for the next two years and then see what is missing, what isn't working, and then do the changes there with it.

In the last year we've had 202 complaints put through for service and repair, which is only 9 per cent of the calls that AMVIC even got. We have over 5 million repair orders in a year. To have 202 complaints and not a single charge laid against our members, you

know, I'm not sure that this is as urgent to be rushed through the way it was built.

Thank you.

**The Chair:** Thank you.

**Mr. Hodgins:** While taking the opportunity to express the items on behalf of the RVDA in the five-minute presentation, I touched on high-level items relative to the concerns of our members. But, candidly, with any legislation, more than a question, just as a comment, education and integrity of the business owners within the association is primary. Whether it's the current FTA or it's Bill 203, clear guidelines and clear enforceability are huge. One of our real significant concerns I alluded to on the second or third page here is with item 57.11(3), (4), (5), (6), and (7). There's so much room for interpretation that puts a customer and a repair facility at odds that it's unacceptable. So at this particular time I feel that it's a bit of a challenge.

Candidly, from an RV point of view, unlike the automotive industry – I have a car dealership as well as an RV dealership, so I'm uniquely qualified to speak on behalf of both – you can't hook up RVs to a computer to diagnose what the problem is. So it's a little bit different because when you're looking at it from an estimate standpoint for a consumer, it's hard to have them agree to something you don't know exists.

The legislation needs to be comfortable that the customer is protected and then that the service shop is able to provide the right information. Depending on the nature of the conflict or the issue with the product, that may be part of the process to investigate it, and it might already be part of the estimate, so there's no requirement for an estimate fee because it's part and parcel of the actual repair. However, if it's not, a consumer will also need it to be identified that additional investigation is required. Without the computer aid that the automotive industry has – again, candidly, that's not definitive from the automotive industry standpoint, but the folks will speak to that this afternoon, that there are different things related to industry that the current attempt of Bill 203 doesn't take into account.

I don't really have any additional things beyond that. Honestly, it does come back to education, and it does come back to enforceability that's reasonable and understandable. It comes back to educating the consumer. To Nancy's point, the consumer doesn't know the protection they have. I was on AMVIC's website last night, and it's painfully obvious that the consumer is not aware of what the Fair Trading Act provides us as consumers and consumers at large in terms of protection, whether it be for advertising, whether it be for repairs, whether it be for different aspects. Even the fact that salespeople have to be licensed: I don't think most consumers know that. Through AMVIC and through the Fair Trading Act the industry is very well regulated, but it does come back to the integrity of our members, candidly.

**The Chair:** Thank you.

Mr. Shepherd.

**Mr. Shepherd:** Thank you, Chair. I'd like to thank each of you for coming to join us here today and for the submissions that you presented. I had the opportunity to read through them back when they were first submitted and found that they were quite clear, expressed your views quite well. In particular, I really appreciated the comparison chart that the CIAA put together. It made it very handy to be able to go through and look at your concerns about the bill. I appreciate what you've had to say here today.

One of the things I did note in your comments that you had submitted and again here today is that you feel one of the real



concerns that we need to address is the lack of education for consumers. Certainly, I think that if there's a way we can improve on that, you know, recognizing that you feel the bill should not go forward, maybe look at what other solutions we can put in place, I guess my question, then, would be – first of all, you're identifying that you feel there is a gap in education with the consumer – if you could give us a sense of what gives you that sense. Is that something that you're hearing from consumers? Is there other evidence that sort of shows you that this gap exists? On that basis, then, what are some of the steps you think we could be taking to better educate consumers?

**Ms Suranyi:** Okay. Thank you. Again, another excellent question. I'll answer it twofold because I think you kind of have two questions in there: how do we think that there's a gap, and then what can we do to help close that gap? We see the gaps day to day in our shops when people come in. Google reviews, Facebook reviews: that really is what is a big part of what drives our reputations and stuff, and that's what makes consumers jump around when they've had a poor experience. We see them right at the front desk because they want to tell the stories that have happened with it.

We're able to direct them. We have pamphlets in our facilities that direct them to AMVIC, but they're shocked when you tell them about that and that things can actually be done and that there is a body that they can contact to have something happen with that. The problem is that at that time a lot of times it's a little bit too late. There are things that they have to do in order for AMVIC to be able to assist them with the process to it, and that's where the education piece is so key. They need to understand what the FTA is and what their rights and the rules are to it. Even if you look through a lot of the submissions, some people had indicated some of the issues that they had. Some of those would have been dealt well with AMVIC. Some of them are out of the scope of it, you know, when it talks about book times and such. That's a little bit of a different issue. We see the gaps through that. AMVIC sees the gaps with it, too. I think Ross has done the same thing. We've been at board meetings before and seen the reports that have come across. That's how we know that there's a gap.

9:05

What can we do to bridge that gap to help and do the education? I think there are a couple of different things that we can do. You have bodies that will be presenting in front of you this afternoon: Better Business Bureau, AMA, insurance companies, all of those. They have strong memberships, and they have a good reputation. I would, you know, challenge them to make sure that they understand what it is and pass on the information to their memberships, especially organizations such as the AMA. That's what they're there for.

AMVIC itself has four mandates that it falls under. One is licensing, one is investigation, one is education, and one is enforcement. Education is one of the four key mandates and pillars of what AMVIC has, and it's not specific to whether or not that's education for consumers or for industry. It's a mixture of both. So it's already out there. So working with Service Alberta to say, "This is where we need to see it go; we need a bigger push for this," I think, again, that you're helping to bridge that gap.

It's very hard in a Google society, where we know everything but know nothing at the same time, because we can just look it up. That is the challenge. How do you educate an overeducated population? I think it is done through, you know, a campaign. It would have to be a campaign to do it. First, you need to see where that is. You can change this legislation, change the wording and what the parameters are, but if the consumers still don't know about AMVIC

and what to do, those numbers aren't going to fluctuate as to what the concerns are with it. You're still going to have the same problem. It's not going to be enforced, and we're not going to make any headway. If a customer comes into my shop and already knows that I cannot charge them past 10 per cent to \$100 of what the estimate is, they're going to hold me to it. Empower the consumers.

**The Chair:** Thank you.

Mr. Hodgins.

**Mr. Hodgins :** Well stated, Nancy.

Thank you very much. Excellent question, MLA Shepherd. One of the items associated with education for the consumer is truly understanding the scope of AMVIC – what are its limitations, and where can it go in terms of details? – and understanding the compensation fund, understanding what the compensation fund is for. It's not for customers making a bad decision or not getting informed about their rights in advance. It's for situations when industry falls down and when the process comes into play, where there is nobody there to look after the consumer. That's the point of the compensation fund.

One of the things that we find with consumers when it comes to AMVIC: for the most part when there is a concern, it's because it's after the fact. They weren't aware of things going forward, and then they're thrust into a situation where they need to provide more information than potentially they're aware of or comfortable with relative to the investigation process. It's something that if the consumer was aware in advance – and I echo Nancy's comments with regard to social media as well as different ways to campaign. In our very electronic environment that we have today, there are so many ways that we can get to the consumer and be able to answer questions in language that's comfortable, so not having language that's really difficult to understand. Candidly, it needs to be at a grade 4 level, ostensibly, in order for most of us to understand it and clearly delineate which way it needs to go.

**The Chair:** Thank you.

**Mr. Shepherd:** May I ask a follow-up, Chair?

**The Chair:** Yes. Go ahead, Mr. Shepherd.

**Mr. Shepherd:** Thank you. I appreciate that. Some good information there.

Just to follow up, I appreciate what you're saying. It's sort of an issue that you've seen pop up on review sites, some of these other places, social media. Certainly, we know that's very active now. Since this is an issue that you identify as concerning in regard to sort of maintaining the reputation for auto repairs, who we know do want to do good work and want to sort of be able to convey that to the public, are there any steps that you've taken yourself so far through the CIAA or the RVDA? Have you taken any steps specifically to sort of educate consumers or provide more of that information?

**Ms Suranyi:** Yes. Our membership and the seats that we hold on the board itself is one of the biggest things that we can do. Not only do we have a member at the society level, but also we have representatives that sit at the board level, and they help to drive, you know, where AMVIC is going. Over the past couple of years I can say that AMVIC has had a much greater approach and presence on social media with campaigns towards this. If you watch their Twitter feed and stuff, a lot of it is: did you know? And they will have the facts that have that. From time to time we will pass that on as well.

There are pamphlets that we have that are located in our facilities and whatnot to give to consumers. We help direct them to where they need to go. As well, our members will know that if they have a customer that's had an issue, many times we will get the calls for it as representatives to make sure that it's being handled appropriately and sending the consumers where they need to get to.

**Mr. Shepherd:** Thank you.

**The Chair:** Thank you.

**Mr. Hodgins:** As I stated in my five-minute address, AMVIC is in place to protect the public interest and promote trust and confidence in the motor vehicle industry. It is accomplished through consumer communication and best practices with industry stakeholders. For the RVDA members it's written into our RVDA bylaws that each member offering sales and service products to our consumers is an AMVIC member. It's very high profile in terms of the process to make sure that all of our members understand that to run a business with integrity, you need to abide by the Fair Trading Act and respect consumers' rights as well as the rights of industry.

Additionally, one of the requirements of AMVIC is that we have posted on our public sites the AMVIC logo. That is a clickable link so that the consumer can go right to the AMVIC site. Maybe most consumers don't realize that. From an education standpoint, all of our staff, all of our salespeople are required to take training associated with having an actual licence, and our service folks are also informed with regard to the consumers' rights associated with the Fair Trading Act.

From the RVDA standpoint, we formalized our acceptance of AMVIC's ability to legislate and enforce the provisions for the consumer in the Fair Trading Act.

**The Chair:** Thank you.

Next on our speakers list is Ms Luff.

**Ms Luff:** Yeah. Can everyone hear me?

**The Chair:** Yes.

**Ms Luff:** Okay. Fantastic. I want to echo what MLA Shepherd said. I appreciate your being here today, and I appreciate the submissions that you made to the committee. I also had an opportunity to read them and felt that you've done a very good job of articulating your position.

I have a couple of questions. You're both representatives from organizations that are sort of national bodies, and you went to, you know, lengths in your presentations to make sure to note that Alberta is different from other jurisdictions, different from Ontario and Manitoba, in that we do have AMVIC that provides all those consumer protections. I was just curious if in the course of this you had potentially reached out to some of your member organizations in Ontario or Manitoba to speak with them about how this type of legislation had affected them in those provinces. If you could maybe speak to that a little bit or maybe just elaborate on how Alberta is different from those other jurisdictions.

**Ms Suranyi:** Thank you. I have had an opportunity to speak to a couple of other members outside of our province, some in B.C., where they don't have either of them. I did not speak with anybody in Manitoba, but I have spoken with Ontario. Ontario has what's known as OMVIC, which would be the counter to what AMVIC is, but it doesn't license service and repair. It's more sales that it goes to. So that's the first thing with it.

The issue that comes in is that this just doesn't fit with how it's written here. It does work in a sense for them on certain parts of it. I'll give you an example of one thing that they have in their legislation that wasn't put forward in here: shop supplies. I believe that they aren't allowed to generalize shop supplies for it, but they've kind of gotten around it by building in parts kits. That's what they've done with it. When I spoke earlier, saying that it's going to come from one place to another with it: not the same thing as what was proposed in Bill 203, but it's an example of how things have been manoeuvred around so that they didn't lose what the fees were on their shop supplies when the legislation came in for that but, rather, changed it to what the different format is.

I did not get an opportunity to go piece by piece through each section of what this is for but had a good general conversation. The comment that came back to us, I'll be honest, was: "Well, what's the big deal about this? We have this in our province. What are you guys all up in arms for?" The problem is that it doesn't fit into it, how it looks. I go back again to the same thing, that we had an existing structure, and you can't just put, you know, a square peg in a round hole and expect it to fit because there are the unintended consequences that are coming out of it. So that's a little bit more of the issue.

**9:15**

The other thing that becomes a little bit fearful with us is that in multiple places the vagueness of it doesn't answer some of the questions. There are comments like "amended by the regulations" or "as the regulations will stipulate." There's another body that's going to be looking at this. Who's going to decide what the cap is on the diagnostic part of it? What is considered reasonable? These are the issues that don't fit with Bill 203, too, that they may not have the same issues with them as other provinces.

Thank you.

**The Chair:** Thank you.

Go ahead.

**Mr. Hodgins:** Candidly, Mr. Merkowsky, who's the executive vice-president for RVDA, may have contacted Ontario and Manitoba's respective bodies for the RVDA. I did not personally. However, as a function of being involved with industry, I'm a member of a 20 group. We meet across Canada three times a year with different dealers from other provinces. Manitoba and Ontario happen to be represented in that fold.

One of the key things that Alberta has that's very different than Ontario and Manitoba as it relates to our industry is that Alberta is a leader when it comes to the professionalism of our technicians. Alberta requires our technicians to be red seal. Through SAIT we actually have training processes that take the – it wasn't always that way in the past. Candidly, it was very much of an automotive service type of item. It's within the last, you know, recent history, certainly, that RV dealers and RV technicians are red seal certified. With that comes a significant responsibility and requirement for the technician to put their licence number on inspections and things like that. There's a liability that's carried with that process. When you're taking legislation components out of other provinces where they don't have the same standards, that's not appropriate relative to Alberta. We far exceed what's in place in Ontario and Manitoba for our technicians.

**The Chair:** Thank you.

Just to those on the phones, I know that an e-mail has gone out saying that if you do have questions and want to get on the speakers list, you can connect with the clerk. At this point I'm not aware of anybody on the phone wishing to speak.

The next person I have asking questions is Mr. Shepherd.

**Mr. Shepherd:** Thank you, Chair. Thank you, again, for some of that clarification for MLA Luff. It's helpful to get a bit more of this context, and I appreciate that you have been reaching out and having some of these other conversations crossjurisdictionally as well to get a sense of how all this might operate.

From the comments you've made today and from your presentation, I do get the sense that you're open to other ideas, that you're open to having this discussion and sort of looking at ways that we can improve the consumer experience and improve their protections and acknowledge that there may be some ways that we can try to explore that. I appreciate what you're saying, you know, that you feel that Bill 203 is not the way to go about that, but I do just wonder: are there any aspects of what Bill 203 brought forward that you feel might be useful? If we are looking at a larger conversation about ways that we can improve consumer protection, is there anything, in your opinion, that we could pull from Bill 203 that might be useful in moving in that direction?

**Ms Suranyi:** There was one section with it that our association had said that we could support, and it is the signage portion of it. It doesn't come without challenges, and it needs to be explored further to ensure that it's a standardized process as to what would be posted in the shops, but our members are not against having a sign posted letting them know, you know, the website and AMVIC and where to go find – and kind of giving an overview as to what their rights are. Again, it fits in nicely with what that education piece is. The fear that we have and why our recommendation was not to amend Bill 203 to include just the signage portion of it is that there's so much else in here that it would just be a little bit of it to extricate out of it, and that would be our concern, but we do feel that the signage could be a step in the right direction if done properly.

Some of the challenges that are going to come in from the signage, however, are: how do you determine what size that is? We have different sizes of facilities and whatnot. What is the look of it going to be? Where are the costs going to come? Who will establish that for it? But I do believe there is an answer in there that you could figure out and sort through it and that would fit a little bit into the education piece. Our membership was supportive of that section of it.

**Mr. Shepherd:** Excellent. Thank you.

**The Chair:** Go ahead.

**Mr. Hodgins:** Candidly, I was surprised by the posting signs because we already do that. Whether it's my business being over and above legislation relative to informing the consumer or whether it's something where I was given a memo by RVDA to say "you've got to post your rate" or whether it was MDA that said "post your rate," we already do that. To see that it's sort of not there: I was kind of surprised by that.

Candidly, alongside that is also additional information for the consumer in terms of what a shop can and cannot do, so it's very important that shops are aware relative to their – for instance, we had a concern with a consumer relative to air conditioning. We need to be able to as a shop indicate what level we can do and what items need to go to a sublet.

From there the one item that I know is not something that's – it's in Bill 203. I disagree with it from the standpoint that if a consumer is bringing the product to us to get it serviced and we're using a sublet, we are going to inform the consumer that we're using a sublet. However, to put the consumer in touch with the sublet to get a warranty: that's not the reason they brought the product to us in the first place. At that point in time – it's relatively confusing.

I think that in terms of the items I would take out of Bill 203, in terms of some of the items relative to its usefulness for industry, candidly, you'd want to do a bit more investigation. The posting signs with clarity, as per Nancy's comment, is valid. Beyond that, the RVDA has concerns with the language and concerns with unintended consumer privileges that they already take with the FTA that is currently being negated.

I'm not really answering your question, MLA Shepherd, because, candidly, there are some concerns relative to seasonality for the RV industry. To suggest to a consumer that they need to pick their unit up immediately is difficult because you may bring your unit in to us in the fall, reasonably not actually going to use it until May unless you're going south. I mean, there are different opportunities that a consumer is involved with, but the average Albertan isn't camping in December. Quite candidly, the provincial campgrounds aren't open. It's something that at that point in time to have a specific timeline for when a consumer is picking up their product actually negates their warranty. That's below current standards.

To answer your question, there's very little in Bill 203 that's beneficial for industry, and I don't believe it's effective for the desire to enhance consumer protection.

**Mr. Shepherd:** Thank you.

**The Chair:** Thank you.

Next I have Mr. Hinkley.

**Mr. Hinkley:** Thank you. Just some information questions and clarification. You mentioned the huge number of transactions that your industry is involved with, and the number of issues is around 200 or just over 200. Are you seeing any trend? Are those issues flatlining? Are they decreasing? Are they increasing over time? Like you say, education and people not knowing their rights – what are you seeing with those numbers with regard to trends?

**Ms Suranyi:** I would be pulling a number out to say if I knew the trends with it, honestly. I would have to get back to you to see what the trends are year over year with it. From the reports that I witnessed when I was on the board with AMVIC previously, I would say that they've stayed pretty steady. If an undertaking is put on a business – and I guess this is important to state. If our businesses operate outside of the scope of the FTA and if we are found in violation of it and AMVIC comes and determines that, it is up to us to make restitution to the consumers for it, and we risk being fined. Administrative penalties can be inflicted on us, right up to the fact that we can lose our licences and will no longer be able to operate in the province of Alberta. So it's taken very seriously when a violation occurs. That goes across straight through our advertising as to how we conduct business.

If an undertaking has been done, which is what was most notably done before they had the ability to do administrative penalties with it, those are listed on the AMVIC website. You can actually go on there and find out and see which businesses have received administrative penalties. I know personally I haven't looked for quite some time, but probably two years ago I had looked and hadn't seen too many, if any, repair facilities that had been put up on it.

The 202 number: now, those are calls that AMVIC received in total for that year. I want to say that it was the 2015-16 year-end report, but I don't have the data right in front of me for it. Oh, here we go.

As of October 6, 2016, there were 4560 repair businesses licensed within the province. From those 4560 shops for the 2015/16 fiscal year, AMVIC only received 202 complaints ...

That's just calls on it. That's not even legitimate. That's just that they had an issue and called.

... which resulted in zero charges being laid.

We're at 10.9 million estimated repair orders – and I've gotten that number from the AIA of Canada – and 202 phone calls with it: that's not even anything.

9:25

Out of that 202 – I imagine you would have to ask AMVIC for it; I believe they're in this afternoon – how many of those actually resulted in the businesses being found at fault and restitution being given to the consumers? No charges were laid in any of those instances. I don't think those numbers have changed because we tend to hear as an association if there's a problem. If there's a number that spikes, we tend to hear about it fairly quickly.

**Mr. Hinkley:** Ross, do you want to answer? I do have a supplemental as well if I may.

**Mr. Hodgins:** Certainly. Can you repeat the question? Sorry.

**Mr. Hinkley:** Well, I just wanted to know if you're seeing any trends in the number of issues and concerns now. It was mentioned that there were phone calls, 202 phone calls. Is that number going up or down?

**Mr. Hodgins:** Well, relative to the RVDA, candidly, I don't have the AMVIC stats. They're pretty minimal. Where the RVDA came under fire with the AMVIC process was related to a pretty high-level situation with – do you recall the gentleman in Millet?

**Ms Suranyi:** Yeah, with consignment.

**Mr. Hodgins:** Yeah.

When consignments got reworked through AMVIC, it was a function of a misleading situation to consumers. AMVIC stepped in. There have been charges laid. That process has taken place.

Additionally, there was an RV dealer that was a rent-to-own type of situation and was multiply selling the same RV. That individual has since been charged and convicted. That, I believe, was precompensation fund, and that was a reason that the compensation fund got fast-tracked at the time, in order to look after consumers should there be wrongdoing relative to the Fair Trading Act.

**Mr. Hinkley:** Thank you for that answer. You've now created a second supplemental. Mainly I'm just looking for information. With regard to those trends and if they are relatively the same, what are the primary complaints that you are receiving? Are they multi, or are there some particular ones that are over and over?

**Ms Suranyi:** I would defer that to AMVIC this afternoon just because they are the experts. They're the ones that actually have the complaints with it.

I can tell you that the ones I hear in my shop, which aren't relative to these numbers – these are just the ones that I've come across. Many times you'll hear instances where the consumer was estimated a certain amount, \$200, and the bill ended up being \$400 when they went to pick it up. That's one that you hear more frequently than anything else, that it wasn't what they were expecting, which, as I mentioned before, is already illegal under the current Fair Trading Act to begin with. The current regulations cover that. That was not allowed to begin with.

**Mr. Hinkley:** Your impression is that that's usually the one, what appears to be an overcharging or a change in the ...

**Ms Suranyi:** That I hear in my shop. Again, not from AMVIC's standpoint with it but in my shop: that's the one that I tend to hear.

We also hear, you know, from time to time with it that it was not repaired. They brought it in for something, and the noise is still there or something else is happening with it, and they don't feel that it was fixed accurately. That's a little bit of a grey area to start to enter into. When you think of an automobile, there are so many computers on it that have to sync with all of it. It's a tricky thing, much like, you know, my analogy before with the doctor. A doctor has to have so much knowledge to be able to understand the human body and try to diagnose what is wrong with you, and our technicians are absolutely no different. The difference is that as we get older, our bodies haven't changed: my fingers still bend like this, my head still shakes, and I don't have anything extra that's grown on. If you think of the automotive industry, think about all of the advancements and the technology that comes with it and what changes to get that. It's complicated. It's not as easy as it sounds, that you plug the computer in and it tells you what's wrong.

When we start to get into some of those complaints that people have, they wouldn't be covered under Bill 203 and they aren't covered under the current act because some of it is just knowledge and us as industry doing a better job of explaining to consumers what the process is. It's not an exact science all the time.

**Mr. Hinkley:** I wish we had more than five minutes.

**The Chair:** Thank you very much.

Just due to the time I would ask all members at this point – I have one more person on the list. I would ask Ms Luff to just simply read her question into the record, and then the responses from our panel can be done in writing at a later time. Go ahead, Ms Luff.

**Ms Luff:** Sure. I'll do two really quickly if that's okay. The first is just speaking with regard to invoices. Both of you suggested that the invoicing regulations that already exist are sufficient. I'm just curious. In your experience, are customers satisfied with the invoice process, or do customers request additional information on invoicing?

Then, secondly, both of you mentioned that there are several complications with regard to warranties, but from a consumer protection standpoint I am curious if either of you see a value in having a minimum warranty standard.

Thank you.

**The Chair:** Thank you, Ms Luff, and thank you to our presenters for joining us here today and for responding to the committee's questions. If a question is outstanding or if you wish to provide additional information, please forward that through the committee clerk. Your time is very much appreciated.

We'll take a break to allow our guests for the next panel to get set up. We'll reconvene at 9:45 a.m.

Thank you.

[The committee adjourned from 9:30 a.m. to 9:42 a.m.]

**The Chair:** Good morning. We are back on the record. The committee is hearing oral presentations today respecting its review of Bill 203, Fair Trading (Motor Vehicle Repair Pricing Protection for Consumers) Amendment Act, 2016.

I'd ask that members and those joining the committee at the table introduce themselves for the record, and I will then call on members joining the meeting via teleconference. I'm Nicole Goehring, MLA for Edmonton-Castle Downs and the chair of this committee.

**Mr. Smith:** Mark Smith, Drayton Valley-Devon and the deputy chair.

**Mr. Yao:** Tany Yao, Fort McMurray-Wood Buffalo.

**Mr. Rodney:** Dave Rodney, Calgary-Lougheed. Welcome.

**Mrs. Aheer:** Leela Aheer, Chestermere-Rocky View.

**Mr. Romano:** Deen Romano, Edmonton Motors, MDA.

**Mr. Airey:** Doug Airey, general manager at Western GMC Buick in Edmonton and with the MDA.

**Mr. Mottershead:** Richard Mottershead, MDA and Derrick Dodge in Edmonton.

**Mr. Ducharme:** Denis Ducharme, president of the Motor Dealers' Association of Alberta.

**Mr. Hinkley:** Bruce Hinkley, MLA, Wetaskiwin-Camrose.

**Ms Miller:** Good morning. Barb Miller, MLA, Red Deer-South.

**Mr. Horne:** Good morning. Trevor Horne, MLA for Spruce Grove-St. Albert.

**Mr. Carson:** Good morning. Jon Carson, MLA for Edmonton-Meadowlark.

**Ms Babcock:** Good morning. Erin Babcock, MLA for Stony Plain.

**Drever:** Good morning. Deborah Drever, MLA for Calgary-Bow.

**Mr. Shepherd:** Good morning. David Shepherd, MLA, Edmonton-Centre.

**Mr. Koenig:** Good morning. I'm Trafton Koenig with the Parliamentary Counsel office.

**Ms Robert:** Good morning. Nancy Robert, research officer.

**Dr. Massolin:** Good morning. Philip Massolin, manager of research and committee services.

**Mrs. Sawchuk:** Karen Sawchuk, committee clerk.

**The Chair:** On the telephones?

**Dr. Swann:** Good morning, all. David Swann, Calgary-Mountain View.

**Ms Jansen:** Sandra Jansen, Calgary-North West.

**Ms Luff:** Robyn Luff, Calgary-East. Good morning.

**Mr. W. Anderson:** Good morning. I'm Wayne Anderson, Highwood.

**The Chair:** And Mr. Gill? Maybe not.

The participants in this next panel have been invited to make a 15-minute presentation regarding Bill 203, after which I will open the floor to questions from members. Our next panel is scheduled from 9:45 a.m. until 10:30 a.m. It's the industry association. I'd like to welcome the representatives from the Motor Dealers' Association of Alberta, the MDAA: Mr. Denis Ducharme, association president; Mr. Doug Airey, general manager, Western GMC, Edmonton; Mr. Deen Romano, service manager, Edmonton Motors; Mr. Richard Mottershead, dealer principal, Derrick Dodge, Edmonton.

For the record I would note that the committee received requests from the following dealerships to have the Motor Dealers' Association represent them here today: Country Hills Hyundai, Lethbridge Dodge Chrysler Jeep Ltd., Okotoks Nissan, South Trail Kia, Sunridge Nissan, High Country Chevrolet Buick GMC Ltd., Okotoks Chevrolet Buick GMC, Silverhill Acura, and Strathmore Ford.

I understand that Mr. Ducharme will be presenting. Go ahead.

#### **Motor Dealers' Association of Alberta**

**Mr. Ducharme:** Thank you, Madam Chair. Good morning to all the members of the legislative Standing Committee on Families and Communities. The MDA, first of all, would like to thank the committee for its decision to accept oral presentations regarding Bill 203, Fair Trading (Motor Vehicle Repair Pricing Protection for Consumers) Amendment Act, 2016.

The MDA was founded in 1951 and has represented Alberta's franchised new auto and heavy truck dealers for over 67 years. Our 366 separate dealerships and their over 36,000 employees are all supporters of a fair automotive marketplace and strong consumer protection legislation. Our dealers all operate under a national code of manufacturer ethics in meeting automobile customer needs in a professional and knowledgeable manner. Dealers are monitored on a regular basis by their manufacturers via surveys sent to all service customers to ensure the quality of the repair, the service experience, and the level of customer satisfaction. Dealers also survey their customers on their service experiences to be certain of their complete satisfaction.

Many of the submissions by our members to this committee identified this process. One comment from a member dealer expressed this very well, and I quote: our service customers are our lifeblood, and we treat them as such by making them happy repeat customers. End of quote. Our industry's success is dependent on providing customers with service practices that instill trust and confidence.

In 2016 the MDA commissioned MNP LLP to conduct a fiscal impact study on our association members. A copy of this study was sent to all government MLAs and municipal leaders across Alberta this past summer. The report identified that our members invested \$2.76 billion in land and buildings in order to provide services to Alberta businesses and families. This study also identified that in 2014 our 366 dealerships performed over 5 million repair service orders. Statistics received from AMVIC for the period of June 2014 to July 2015 identified that AMVIC only received a total of 45 consumer service complaints against MDA members. That equates to .00001 per cent. No fines or charges were levied against these dealers. Such a low complaint rate is indicative of our members' focus on customer service. Albertans have been well served by Alberta's Fair Trading Act and section 12 of the automotive business regulation, which have created a level playing field in the auto repair industry in protecting both consumers and repairers alike.

Many of our members find proposed amendments on posting signs and some of the comments about signage made at the committee meeting of September 19, 2016, to be insulting. It defamed the business character of the owners of these automobile businesses, all of whom take great pride in how they run their operations. The actual evidence clearly demonstrates that consumers rarely find fault with the current service processes, yet this bill would legislate signs in dealerships explaining the rights and responsibilities of both the consumer and business. The bill assumes that automotive customers are unable to conduct business on their own and need the protection of the law. The truth is that the

automotive repair industry has a customer satisfaction record that other service industries would be jealous of. No other service industries with good records of customer service are subjected to such harsh legislation.

The truth is that this bill is a harsh solution in search of a nonexistent problem. Many of the things the bill purports to do are already done under existing legislation and regulation. Some of the things the bill would enact would dramatically change many subsectors of the automotive industry in ways that would not serve businesses or customers. We think the unintended consequences of Bill 203 would actually do more harm than any of the rather limited positive changes it would enact.

9:50

We wish to thank MLA Carson for tabling his private member's Bill 203. However, the process used in the preparation of Bill 203 has not served him well and is possibly one of the reasons why this committee had the bill referred to them for further review. Bill 203 is a cut-and-paste attempt at creating legislation with little regard or knowledge of existing Alberta legislation that currently protects Alberta consumers. In many ways Bill 203 is an effort to solve a problem that is already well handled in Alberta.

The sponsor of Bill 203 did no consultation with Service Alberta, the ministry responsible for the Fair Trading Act; Alberta Transportation, the ministry responsible for section 12 of the automotive business regulation; the automotive service repair industry; and the Alberta Motor Vehicle Industry Council, AMVIC, responsible for enforcing the legislation. Had consultations occurred, he would have gained a greater appreciation of the automotive service repair industry and the laws protecting Albertans. Over two years of consultation and information gathering occurred prior to tabling the Fair Trading Act in 1999. Once the law was passed, Ontario reached out to Alberta for permission to use the act to enhance their consumer protection legislation. I'm told that Bill 203 was drafted in less than a week.

In reviewing the 185 submissions the committee received, it is evident that most everyone supports consumer protection. Over 160 submissions identified concerns within various sections of Bill 203. Businesses, associations, and private citizens are of the opinion that the Fair Trading Act, section 12 of the automotive business regulation, and AMVIC as the enforcer provide consumer protection when seeking services from the automotive service repair industry. Of the nearly 20 private citizens and associations in favour of Bill 203, the majority were stating that they were in favour of consumer protection legislation also. However, by some of the comments it also appeared that they either were not aware of the Fair Trading Act or section 12 of the automotive business regulation or had limited knowledge of either one of them. If they had been fully aware of the existing laws and regulations, they also would have found Bill 203 an unnecessary piece of legislation as many sections are repetitive of existing laws.

After reviewing MLA Carson's presentation of September 19, 2016, to the committee, his comments confirmed that Bill 203 was not ready for further debate in the Legislature. In his presentation he stated most issues. Section 57.8 regarding posting signs; 57.10 regarding invoices; 57.6, authorization not in writing; 57.3, estimate fees; and 57.11, warranty are sections that require further consultation before 203 can move forward. Not discussed in his presentation are other sections requiring further consultation and debate. Section 57.5(1) removes existing consumer protection with the removal of the \$100 maximum allowable fee for exceeding the estimate. Section 57.7, additional work; section 57.9(1), return of parts; 57.11(9), repairer uses subcontractor; and 57.12, records to

be kept: all of these concerns are comprised of nearly all the sections of Bill 203.

The summary of written submissions received by the Legislative Assembly research services on November 10 that were provided to the committee members provided 23 pages of comments and concerns regarding the above-listed sections of Bill 203. Bill 203 is simply a cut-and-paste attempt, as I mentioned earlier, at creating legislation with little effort at reviewing any of the gaps between the Fair Trading Act and this bill. There was no consideration of present best business practices utilized in the automobile repair business on a daily basis, no knowledge of full-disclosure work orders, invoices, estimates, diagnostic procedures, and warranties that exceed the recommended 90-day or 5,000-kilometre limits in Bill 203. Alberta's automotive service repair industry utilizes numerous best practices and has done so for many years. The competitive nature of this industry creates innovation and the constant creation of new and better practices in providing services to Albertans.

The sponsor of Bill 203 has not attempted to estimate the extra costs that the 4,560 Alberta licensed repair businesses would incur if Bill 203 proceeds. How many of these costs would be passed on to the Alberta consumers? Statistics from AMVIC show that a total of 202 service complaints were received in the 2015-2016 fiscal year by all 4,560 licensed repair businesses. As was mentioned earlier by the Canadian Independent Automotive Association in their presentation, approximately 10.9 million automotive repair service orders are performed each year. Of those 202 complaints filed with AMVIC, none of them resulted in charges being laid. Complaints are nearly nonexistent. How many more staff will AMVIC require and what other resources will be required to address what appears to be a nonexistent consumer problem? Does AMVIC even have the authority to get involved in industry transactions and warranty repairs? Does AMVIC have the authority to regulate third-party warranties? Does AMVIC have the authority over manufacturer and third-party parts suppliers? These are only a small sampling of questions requiring answers before this committee can even consider Bill 203 moving forward.

Our oral presentation will not repeat our concerns on the various sections of Bill 203 as you have reviewed them previously in our written submission and the submissions of many of our members.

In closing, the MDA wishes to present two recommendations to the committee for consideration: one, that the Standing Committee on Families and Communities recommend that Bill 203, Fair Trading (Motor Vehicle Repair Pricing Protection for Consumers) Amendment Act, 2016, not proceed for further debate in the Legislature; two, that the Standing Committee on Families and Communities recommend to the Minister of Service Alberta and the Alberta Motor Vehicle Industry Council board that they implement a communication/information and education strategy on the Fair Trading Act and section 12 of the automotive business regulation with a focus on highlighting the protections offered Albertans when conducting business with Alberta's licensed automobile repair businesses.

The MDA and its 366 dealer members wish to thank the committee for allowing us the opportunity to present this oral presentation this morning, and we'd be most happy to answer any questions that you may have.

Thank you.

**The Chair:** Thank you very much for your presentation.

I will now open the floor to questions from committee members. Ms Babcock.

**Ms Babcock:** Thank you, Chair. Thank you so much for coming this morning. The written submission notes that the Fair Trading Act and section 12 of the automotive business regulation have created a level playing field in the industry. Can you elaborate on the type of feedback you've received from consumers regarding the FTA and the regulations?

**Mr. Ducharme:** We as an association have received very little feedback that came back from consumers in regard to the present legislation; however, I do receive a lot of calls if consumers do have some concerns. They'll address us many times, and if we're unable to assist them or the dealer is unable to assist them in resolving their concerns, then we'll recommend that they be in contact with AMVIC so that they can possibly set up for mediation or other solutions in terms of being able to resolve their problems.

**Ms Babcock:** Thank you.  
If I could continue, Chair?

**The Chair:** Go ahead.

**Ms Babcock:** Do you believe that there is room to strengthen the invoice and estimate process above what is currently in the FTA?

**Mr. Ducharme:** I provided in the written submission a copy of the work orders and the structure in regard to how they're formed as far as providing information back to the consumer. Basically, I have to say that our work orders, all of our invoices, our full disclosure – all the information is there in regard to the directions that the customer has asked the dealership for the repairs to be performed. Generally the technicians will provide comments and feedback in their notes back to the customer in regard to what they found, et cetera, explaining what had to be done. The costing is very clear, very well itemized. It's not only a law in regard to what we feel in the way we do business, but it's also a law that we have to have in place for the Canada Revenue Agency, so the records are all kept. We've always been full disclosure.

To add to that, I'd pass it on to people that do it on a daily basis rather than me. Maybe Deen may want to add to that? You're a service manager.

**The Chair:** I would just ask that before answering a question, you identify yourself for *Hansard*.

10:00

**Mr. Romano:** Deen Romano from Edmonton Motors, MDA. Yeah, in our processes, everything from work order to estimates, I mean, we spend a lot of money each year on systems just to create estimates. I'll start back at work orders. We all have a data management system – every dealership has them – to create the work orders. When a customer comes in, a work order has to be signed. Every line is itemized, and then, when that is done, it is reviewed, signed by the consumer, the customer, before it even goes to the shop. When estimates are created, there are systems to create very clear, very methodical estimates on parts, service, with everything on it. I'd say that we spend considerable money monthly to have these systems so that they're very clear for the consumer and so that there are no questions for them.

**Ms Babcock:** Thank you.

**The Chair:** Any other panel participants wishing to answer the question?

Any other questions from the committee?

**Ms Babcock:** Can I continue?

**The Chair:** Go ahead. Sorry, Ms Babcock.

**Ms Babcock:** No. That's fine.

In your submission it was noted that industry standards include two years and unlimited kilometres on warranty. Bill 203 suggests a 90-day or 5,000-kilometre warranty. Given that industry standards are higher than that, would you support legislation that includes a two-year and unlimited kilometre warranty in regulation instead of best practice?

**Mr. Ducharme:** That is a question that I think I would not be qualified for in terms of answering. I don't represent the parts manufacturers. There are different levels of parts. For the two-year, unlimited kilometre warranties, when parts are purchased from the manufacturers, basically they're the same parts that are being put into the vehicle when it's built new, so they have those standards. But then you have different levels of different parts providers. You probably have some that might be coming out of some shops out of China that may offer a three-minute type of warranty. There are all different levels of parts that are available for consumers. I think this is more of a question, possibly, for the independent shops because they may cater a little bit more in regard to different levels of parts. In cases with our service departments, if the manufacturer part is not available, they may go to a NAPA store, as an example, who offer a different level of warranty. When different levels of parts are being used, the customers are made aware of it, and it's generally written down.

Again I'd like to defer the question to our service manager, Mr. Romano, to answer a little bit more.

**Mr. Romano:** Yeah. That is very correct. With parts warranties there are definitely varying levels even through the manufacturer – myself, I'm with General Motors – and depending on the parts, there's anywhere from a one-year to a lifetime warranty on parts. It all depends on the quality and the level of parts that you want to go with. Same with after-market parts and stuff like that. To have a blanket "All parts should be warrantied for this long" really is too blanketing an option. You know, like Denis said, there are multiple different levels that you can get. Some customers just want to put their car together so it drives off the lot. Some want a long-time warranty. There are always those levels, and those are different areas that we always present to the customers and let them make the choice on what they want from that.

**The Chair:** Thank you.

Next on the list I have Member Drever.

**Drever:** Good morning, everyone. I just wanted to thank everyone for coming out today and doing a presentation. We really appreciate your feedback.

These questions are open to the panel, and feel free to step in if you want to. I just wanted to know: what steps do the MDA and associated dealers take to address consumer concerns?

**Mr. Airey:** We've heard a lot about education through this process now, and certainly, from our standpoint, we try to make it as evident to our consumers as possible where to contact if they have a concern. It's on every repair order. It's on every letter that we send out, on every transaction we make, whether they're purchasing a vehicle or repairing a vehicle. In addition to that, we also have our status on our website; for example, AMVIC. We have decals and signage throughout the dealership with MDA and AMVIC membership on them so that the consumers are aware of not only their rights but also where they can talk to or confirm with if they have a concern as well.

**Drever:** Thank you.

**The Chair:** Mr. Smith.

**Mr. Smith:** Thank you. You seem very critical of the bill. You're not the first ones to have come across my desk with that concern. You brought forward two recommendations, the first that it not proceed for further debate, but I'd like you to elaborate a little on your second recommendation. You referred to communication and education for the consumer. How do you see that moving forward, and why do you think that's a better way of proceeding than this bill?

**Mr. Ducharme:** Thank you very much for the question. The second recommendation, I feel, is the solution in terms of bringing it forward. Maybe I have a personal bias in regard to the Fair Trading Act. I've been involved with the Fair Trading Act since 1997. I know it's not perfect. I've had to go back a few times when I was an MLA in terms of making some amendments to it, but I believe it is the right foundation. We've got the right foundation in terms of making whatever changes that we have to, that are deemed necessary.

I'm hoping that in the presentation we covered off a lot of the daily business practices that we do that basically address the concerns that have been brought forward in Bill 203. I'm not one to want to encourage legislation for the sake of legislation. If we've got good business practices that are in place and are meeting the needs of protecting consumers and also in terms of, you know, being fair business practices that industries have to abide by, then I believe that we've solved it.

The part that is missing – and I think you heard it also in the first presentation, that was done by the two other presenters – is that consumers still require more education. Many of them have a good understanding as to how business takes place, but in order to get around in terms of having to make more legislation, let's put in an effort to set up information packages that go out to them, find ways and means so that they have a good education-based program offered by AMVIC. It's part of their mandate. They probably haven't had the monies in terms of being able to do so until recently, but it's somewhere that they can put extra focus in regard to their role, and that is to educate consumers, make them aware of what the law is, make it easy to understand.

Not all of them are sitting around the Legislature in terms of formulating legislation. Sometimes it's difficult. Provide them with Q and As. AMVIC has started doing that, as was mentioned by Nancy in the earlier presentation, by informing consumers on what the laws are to protect them, where to go if they need help in terms of being able to resolve their problems. I truly believe that our membership, our dealers, when you get one ten-thousandth of 1 per cent in complaints and when no one is charged, really care about their service.

As was mentioned by one dealer, it's their lifeblood. They spend a lot of money to attract a customer to come through their showroom doors or to come into their service department, and they're not about to squander it away by offering shoddy, unfair business work. They'll do everything in their power to make sure that the customers are satisfied, because if they don't, they'll generally get a phone call from me, but the worst phone call they get is the one from the manufacturer. When they get threatened – the manufacturers carry a heavy stick. They're there to represent those manufacturers, and they want to make sure that the customers are well treated and taken care of honestly and fairly.

**Mr. Smith:** Thank you very much.

**The Chair:** Mr. Shepherd.

**Mr. Shepherd:** Thank you, Chair. Yeah, I guess we've sort of had a lot of discussion along the lines of where I was looking at going. I come from a background of having worked in the communications field for about five years, different levels of the public service, so I certainly appreciate the challenges that there can be in communicating information to the public on some of these complex issues. Certainly, I think that in an area like this, as some of you have noted, a lot of people come into the relationship with a repair facility feeling like there's an imbalance of knowledge and understanding, a little bit afraid, I guess, due to the complexity of how vehicles operate.

**10:10**

That aside, I appreciate your suggestions in terms of trying to improve public education in that conversation there, but along these lines I also appreciate that your members have sort of evolved the process through, I guess, the natural influence of sales and wanting to bring back repeat customers and that sort of thing, of trying to provide the best possible service and the best possible practices. Do you see any value in trying to, I guess, codify some of these best practices? Certainly, I appreciate that organizations like your own, that sort of have a larger customer base and sort of a larger presence, have already implemented these practices. For smaller facilities, newer facilities, other folks who are coming online, do you see any value in sort of trying to add some pieces of legislation that might help codify and ensure that those best practices are applied across the industry?

**Mr. Airey:** Well, to your point about communication and touching on the area of the manufacturers, as a franchise dealer we've invested millions into our business, absolute millions. Our dealership employs just over a hundred people, and the last thing that I'm going to do is jeopardize their livelihood, their employment, and what they want to do. How I do that is to ensure customer satisfaction. It's the old thing: we're nothing without customers. So we strive and work on that every day, as the manufacturers do. You know, Richard can talk about what Chrysler does. I can tell you that I've worked 22 years with General Motors Corporation, and then I became managing partner at a dealership. Every day we spend working on improving the service level, whether it's on sales or servicing vehicles, to make sure that we stay in business. If we don't take care of the customer, we're not going to stay in business.

One of the ways is – we talked about education. At our dealership we survey electronically every person that comes in for a service/repair. I personally see every returned survey, and we have a return rate of about 30 per cent on that. In addition to that, General Motors surveys every customer that comes in for a warranty repair and now, effective January 1, for every customer-pay repair that is undertaken. We see every return on that.

Believe me, the last thing I want to do is make a small problem bigger. I think everyone in this room would agree that it's much easier to address a problem when it's in its infancy, smaller stages, than letting it fester and grow. So when there is a concern that is brought to our attention, we immediately take action, and we review the situation not only with the consumer but with our internal leadership team.

**The Chair:** Thank you.

Mr. Rodney.

**Mr. Rodney:** Thank you very much, Madam Chair, and thanks to those of you at the table with us here today. As I expressed earlier,



down in Calgary-Lougheed I've received many, many points of contact from folks, and I haven't had any support for this bill at all. I give credit to anybody who comes to the Legislature and brings forward what they think is a good idea. Often the intention is excellent, but the process is flawed. Now, it's taking time in the Legislature. It's taking time and expense here today. I daresay, after hearing you gentlemen and the folks who came before you, there are a lot of folks out there in Alberta who are extremely concerned about this, and there's a lot of money on the line, as I heard, for – what was it? What was the percentage of complaints that we've had?

**Mr. Ducharme:** One ten-thousandth of 1 per cent.

**Mr. Rodney:** One ten-thousandth of 1 per cent.

On a go-forward basis for this bill and other bills – whether they happen to be NDP or PC or Wildrose, it doesn't matter – what would you folks recommend so that when it comes to drawing up legislation like this, we make sure that we get it right as soon as possible, with the smallest expense possible, with the smallest amount of stress put on Albertans? How might you have been consulted earlier so that we wouldn't be in this situation here today? What would you recommend going forward?

**Mr. Ducharme:** Consultation. With the concerns the MLA had heard, either from constituents or other Albertans, with regard to the repair industry, if there had been consultation that had taken place, I think it would have been educational on both sides. It would have been good in terms of hearing concerns that would have come forward, you know, from what politicians are hearing. Then we could have had discussions to explain our processes. Maybe, at the end of the day, we might have come forward here with a recommendation for Bill 203 for something that would have made a difference, that wasn't a cut-and-paste from two other provinces that seems to overlook the legislation that we have here in Alberta.

Just to go back to the last question that was asked by someone: as was indicated, we met with the Deputy Minister of Service Alberta, and the act is probably going to be opened within the next couple of years. This gives the opportunity for us to move forward, industry and Albertans, after the debate that's taking place now.

I won't say that it's been a waste of time. I think it gave everyone an opportunity to reflect and go back and say: hey, maybe we can do things better. By working together, we may have some good, friendly amendments to bring forward, that we've debated and all agree on, that would make a difference at the end of the day rather than being a heavy thumb that comes down on industry, where the information might not have been correct when the bill was drafted. We're open to that as we move forward. If we've learned something from this through this process, we've got an opportunity in terms of having that consultation and that debate to bring something forward when the Fair Trading Act gets reopened again in the next few years.

**Mr. Rodney:** But in the meantime, just to clarify, you stand by your two recommendations of dropping 203 at this point, no questions asked?

**Mr. Ducharme:** There's no question about recommendation 1.

**Mr. Rodney:** Thank you.

**The Chair:** Thank you.  
Member Drever.

**Drever:** Thank you, Chair. Many of the submissions this committee received indicated that consumer education or lack thereof regarding their consumer rights was the biggest gap. Do you agree with this statement?

**Mr. Ducharme:** Having read through all 185 submissions, as most of you did, I came away with the feeling that the majority of consumers agree that there have to be protections in place and laws in place to make sure that it is a fair trading place, that the market is fair. But reading through them, I would say that, as I made mention in my submission earlier, the majority of them probably were not aware that the Fair Trading Act and section 12 of the automotive business regulation existed. In fact, I think there are only one or two submissions that really stood out, of the 15 or so that were in favour of Bill 203, that indicated that, you know, they had some knowledge of the Fair Trading Act. They felt that there could be some more areas that could be strengthened.

But as far as saying that I agree with all the comments: I agree. As I mentioned in the opening remarks, too, our industry believes in consumer protection. We're not here to debate that. What we're here to debate is that Bill 203 is not the right way in terms of going about and doing it.

**The Chair:** Thank you.

Go ahead, Member Drever.

**Drever:** Thank you, Chair. Before, with the other panel, we talked about the role of social media and review websites such as Yelp and Google reviews. How in-depth do the MDA and their dealers focus on these consumer reviews, and how does it compare to the AMVIC results?

**Mr. Ducharme:** I'm going to open it up a little bit, and I'm going to pass it to my dealers. My statement is basically going to be that they live and die every day by those consumer reports. We spend a lot of time in developing programs in dealing with social media, digital marketing. The new generation is a lot faster than my generation was, and the next generation is probably going to be a lot faster.

I'll leave them to add to those comments.

**Mr. Mottershead:** To add to that, I've heard comments about multimillion-dollar investments from our dealerships, and we do – but even the smaller guys: whether it's multimillion-dollar or hundreds of thousands of dollar investments, it's their livelihood they're putting on the line. In this day and age if you do something wrong, it is out there immediately. We take every step we can to protect our reputation. AMVIC is out there for us. I personally take it as an insult if we ever allow anything within my dealership to escalate to the point where we have to get AMVIC involved.

If we have a complaint – like this gentleman said, we survey our customers within 24 hours. No matter whether it was a warranty repair or a retail repair order, our customers are hearing from us electronically for customer satisfaction. The feedback from that survey goes to my service manager, my fixed operations manager, my general sales managers, and myself. I use a BlackBerry phone. It doesn't matter where I am in this world: I will know that we have an unhappy customer, and I'm involved in solving that problem. We don't need negativity out there, so we take care of our issues within minutes of ever finding out that we have an unhappy customer.

10:20

**The Chair:** Thank you.

Any other panel members?

**Mr. Airey:** I totally agree with Richard on that. Whether it's Google – Google is a big one in our industry. DealerRater is the biggest. It would be the TripAdvisor of the auto industry. Our phone is on constantly. Consumers are always on. It's remarkable when the surveys come in at 2:30 in the morning on a Sunday night. The first thing you do is that you wake up and address it, and you look at it. In our case we have over 400 DealerRater reviews and we have a 4.9 out of 5. That just shows you, you know, the lengths we go to work and make sure that customers are satisfied. The old adage: word of mouth advertising is the best advertising. I'll tell you: social media is such a big mouth. It moves so fast and speaks so loud, so we watch that very, very carefully and address any concerns that come up.

**The Chair:** Thank you.  
Go ahead.

**Mr. Romano:** From the service point of view, social media is one of the greatest and one of the hardest things to deal with because there's so much information out there and, unfortunately, so much of the information is wrong. A lot of it comes from the U.S. Anybody can go online, google something, and get information, and that kind of becomes their thing. I spend most of my day providing the correct information to customers.

Like we said before, our goal is to make sure that it never really gets out of our dealership, that we deal with that at the point. If there's a concern, if there are issues, find out what they are. We train our staff very, very well on how to see it, monitor it, and try and deal with it because – you know what? – it's communication. Sometimes you can say the same thing to three different people, and they'll perceive it differently. We just have to understand how the customer thinks and try and present it in the proper way. It is communication.

Right now it is becoming very Internet based, but it's just getting information out there that is correct. If you get the correct information out there – consumers are way smarter. I've been doing this for 30-plus years on different levels, and it has changed so much, but at the end of the day the key to what we do is still the same thing. If we don't have customers, we don't have a business.

**The Chair:** Thank you.  
Mr. Shepherd.

**Mr. Shepherd:** Thank you, Chair. I recognize, of course, that you are the Motor Dealers' Association of Alberta, but I do also recognize that many of you work with franchises and groups and companies that are interprovincial. I'm just wondering if you have a sense, then, or if you've talked with some of your compatriots or other folks in some of the other jurisdictions like Ontario or Manitoba, that have a bit of a different approach or may have some slightly different regulations, again, appreciating that the landscape in Alberta, with the involvement of AMVIC, is a bit different from these other jurisdictions, and, in speaking with them, if you've found that there's anything, I guess, in the approach there that might be worth considering here in Alberta or anything that's of value there.

**Mr. Ducharme:** I meet probably half a dozen times a year with individuals that do the same job, representing associations across other provinces across Canada. First of all, I think everyone is very concerned in regard to making sure that we provide the best possible service, whether it be in sales or service, to all consumers across the country.

Acts are all a little bit different. I believe that in Alberta we're scrutinized a little bit more because of the fact that we've got

AMVIC with a dual role. Like, you've got OMVIC in Ontario, but they're basically centred around sales. They really don't go into the weeds in regard to the service industry.

In some ways the legislation that was being presented is very similar to what's being offered here. It's just that it's not needed. We've got good legislation. It's not to say that we don't have legislation. I believe that when it went out for consumer feedback – you know, for those people that read through it wanting feedback in regard to Bill 203, I don't think there was enough emphasis to say: hey, we already have protection.

I know that at the end of the day, like I mentioned earlier, there are probably good recommendations that are going to come out to debate the questions that you're asking. As we move forward further, let's consult and work together with industry and make sure we come up with the very best that we can.

**The Chair:** Thank you.  
Go ahead, Mr. Shepherd.

**Mr. Shepherd:** The impression I'm getting, then, overall is that you feel there may be some valuable aspects in this conversation that's been opened up, I guess, by the discussion of Bill 203 but that it's something where we need to have some further consultation with industry, perhaps retail, to get a better understanding of what consumers truly understand and particularly to get a better sense of the methods that we're using to educate consumers about the existing regulations.

**Mr. Ducharme:** Correct. As was mentioned in the earlier presentation this morning, all the associations that are involved that are licensed sit on the society of AMVIC. Working together with our representatives, that we have, and the public representatives on the AMVIC board, I'm sure that given enough time – you know, I'm talking months – they can develop a very good, informative education program that can go out to inform consumers of their rights in regard to when they deal with the service industry.

Also, at the same time it'll probably serve as a very good refresher. As I mentioned, we have 36,000 employees. You all know, we all know that some days we're not as bang on as we should be. You know, you may have not slept well the night before. You may have had another issue to deal with. Sometimes we're not providing a hundred per cent service. That's why the dealers have spent so much time, money, and effort in terms of training their staff to make sure that if we do have a bad day, we've got measures in place in terms of making it right for the consumer.

I feel that with AMVIC going through and educating people, they'll be better informed. They'll have a better understanding of how the industry works, what to expect. I think most of them do, but there are some where the level of service may not be as consistent as it is across the whole dealership world. Also, you're dealing with other levels. You're dealing not only with new franchise car dealerships; you're also dealing with independent shops.

Then there's another area that we haven't discussed at all, and that's those that are doing, you know, backyard work and sometimes get added into the debate. They're not licensed. They're not regulated, and sometimes people aren't aware of that. I think AMVIC has got to be stronger, and we should be proud in terms of showing our AMVIC logo in our stores because it identifies: hey, you as a consumer are protected.

**Mr. Shepherd:** Thank you.

**The Chair:** Thank you.

The time for this portion of the panel is coming to a close, so I would ask that any members with any outstanding questions now take the opportunity to read them into the record. Anyone on the phones?

All right. Having no further questions, I'd like to take this opportunity to thank our presenters for coming this morning and for responding to the committee's questions. If a question is outstanding or if you wish to provide additional information, please forward it through the committee clerk. Your time is very appreciated. Thank you.

**Mr. Ducharme:** Thank you.

**The Chair:** We'll take a break to allow our guests for the next panel to get set up, and we will reconvene at 10:45 a.m. Thank you.

[The committee adjourned from 10:28 a.m. to 10:44 a.m.]

**The Chair:** Good morning. We are back on the record. The committee is hearing oral presentations today respecting the review of Bill 203, the Fair Trading (Motor Vehicle Repair Pricing Protection for Consumers) Amendment Act, 2016.

I'd ask that members and those joining the committee at the table introduce themselves for the record, and I will then call on members and presenters joining the meeting via teleconference to introduce themselves. I'm Nicole Goehring, MLA for Edmonton-Castle Downs and chair of this committee. I'll start to my right.

**Mr. Smith:** Welcome. Mark Smith, Drayton Valley-Devon, and I'm the vice-chair.

**Mr. Rodney:** Good morning. Dave Rodney, Calgary-Lougheed. Thanks for coming.

**Mrs. Aheer:** Good morning. Leela Aheer, Chestermere-Rocky View.

**Mr. Lagore:** Doug Lagore, executive director, Alberta Motor Vehicle Industry Council.

**Mr. Kasbrick:** Good morning. Jeff Kasbrick, vice-president of government and stakeholder relations for the Alberta Motor Association.

**Mr. Blakely:** Bob Blakely, Canada's Building Trades Unions.

**Mr. Hinkley:** Welcome. I'm Bruce Hinkley, MLA, Wetaskiwin-Camrose.

**Ms Miller:** Good morning. Barb Miller, MLA, Red Deer-South.

**Mr. Horne:** Good morning. Trevor Horne, MLA for Spruce Grove-St. Albert.

**Mr. Carson:** Good morning. Jon Carson, MLA for Edmonton-Meadowlark.

**Ms Babcock:** Good morning. Erin Babcock, MLA for Stony Plain.

**Drever:** Good morning. Deborah Drever, MLA for Calgary-Bow.

**Mr. Shepherd:** David Shepherd, MLA, Edmonton-Centre.

**Mr. Koenig:** Good morning. I'm Trafton Koenig with the Parliamentary Counsel office.

**Ms Robert:** Good morning. Nancy Robert, research officer.

**Dr. Massolin:** Good morning. Philip Massolin, manager of research and committee services.

**Mrs. Sawchuk:** Karen Sawchuk, committee clerk.

**The Chair:** Thank you.  
Members on the phone.

**Dr. Swann:** Good morning, all. David Swann, Calgary-Mountain View. Welcome.

**Ms Jansen:** Sandra Jansen, Calgary-North West.

**Ms Luff:** Robyn Luff, MLA for Calgary-East. Hi, everybody.

**Mr. W. Anderson:** Wayne Anderson, MLA, Highwood.

**The Chair:** Thank you.

The participants for our next panel each have been invited to make five-minute presentations regarding Bill 203, after which I will open the floor to questions from members. The panel is scheduled from 10:45 to 11:45 a.m.: consumer groups and other interested parties.

I would like to welcome the representatives for the Alberta Motor Vehicle Industry Council, AMVIC, Mr. Douglas Lagore, executive director; Alberta Motor Association, AMA, Mr. Jeff Kasbrick, vice-president, government and stakeholder relations; and Canada's Building Trades Unions, Mr. Robert Blakely, QC, chief operating officer. I would ask that you introduce yourself before beginning your presentation. We'll start with AMVIC.

I'd also like to note for members on the phone that the clerk has provided an e-mail of the slide presentation from AMVIC that we will be hearing.

Mr. Lagore, go ahead, please.

#### Alberta Motor Vehicle Industry Council

**Mr. Lagore:** My name is Douglas Lagore. I'm the AMVIC executive director on an interim basis.

AMVIC is the Alberta automotive industry regulator. We're an independent, delegated authority, accountable to the Alberta government through a delegation agreement with the Minister of Service Alberta. We're incorporated under the Alberta Societies Act as a not-for-profit organization.

We have 13 directors on our board. There are 48 employees, including 15 investigators, who are sworn peace officers. We have more than 6,500 licensed businesses that we represent. Of those, approximately 4,700 have service-repair associations with licence. We have more than 9,500 registered salespeople.

Our role is to enforce the consumer protection legislation, where we do proactive education, we establish a level playing field, and we take appropriate enforcement action. We remain neutral on legislation and work collaboratively with government; we're a regulator, not a lawmaker.

As the regulator AMVIC is well positioned to comment on the enforceability of proposed legislation. Duplication in proposed legislation – the Fair Trading Act and the Alberta automotive business regulation and all other relevant legislation – must be consistent. It's difficult to assess complaints around workmanship issues. Currently AMVIC has no authority regarding issues of workmanship. Industry education is a key component of enforcement. New legislation will require additional resources for educating industry.

Enforceability. Sections 57.2 and 57.3 need to establish required methods for supplying estimates. There needs to be a time limit on

how long an estimate will remain valid. It's difficult for AMVIC to determine the work necessary to assess repairs versus the amount of work that is actually required. The ability to charge a fee if the repairer is unable to attain authorization without unreasonable delay will need to be further defined.

Posting signs, section 57.8. Information will be required that must clearly be prescribed by regulations. We need to establish a timeline for businesses to be in compliance.

**10:50**

Section 57.9, return of parts. We need to establish whether businesses can charge consumers for the clean container.

Warranty, section 57.11. It's difficult to determine if secondary repairs are related to the initial repair. Warranty repair may be completed in another province, which creates jurisdictional issues and a question of whether a warranty could be voided, for example, if the consumer supplied parts or originally requested a repair that did not fix the original problem. Then there are questions of whether the warranty is transferable if the vehicle is sold.

We'd like to thank you for inviting AMVIC to participate in the discussions on Bill 203. More information on AMVIC can be found at [amvic.org](http://amvic.org). Thank you.

**The Chair:** Thank you.

Next we'll hear from AMA. Again, please introduce yourself for the record and then you can proceed with your presentation.

#### **Alberta Motor Association**

**Mr. Kasbrick:** Good morning and thank you very much, Chair, and good morning to the members of the committee. On behalf of the Alberta Motor Association we appreciate this open and collaborative opportunity to discuss Bill 203, the Fair Trading (Motor Vehicle Repair Pricing Protection for Consumers) Amendment Act, 2016.

I'd like to first begin with a look at who we are at the Alberta Motor Association. For 90 years AMA has been a not-for-profit association singularly committed to protecting the things that matter most to our members and supporting them in living their best possible lives. We are a proud Alberta-based organization, honoured to have a membership of nearly 1 million Albertans. Our members, our staff, and network of service providers are your constituents, your neighbours, and your friends and family, and perhaps even you are a member yourself.

Over the past 90 years we have also worked to stay relevant to our members. As our province has grown, so, too, have we. Today we offer a number of members' services that include registry services that are provided to our members, insurance services that are delivered by the largest Alberta-owned and -operated insurer, driver education, travel services, rewards, traffic safety, personal mobility advocacy, and, of course, roadside and automotive services. Although we are an association that is a lot more than tows and boosts, we are, of course, most widely known for our roadside and automotive services.

AMA has long been a consumer advocate across a number of critical areas, and that is inclusive of repair shops. In 1977 AMA created the approved auto repair service, AARS, program as a way for Albertans to find a reliable repair shop to complete their maintenance and/or repairs. Since that time the AARS insignia has become a trusted brand to help Albertans identify repair shops that go above and beyond. Today there are over 345 shops across the province in every single one of your constituencies that are participating in this program. To be in this program, these shops have agreed to the platinum standard for consumer protection.

These include fair pricing and flat pricing manuals, a minimum warranty of one year or 20,000 kilometres for parts and services, and a dispute settlement process. There is also ongoing evaluation of AARS facilities through surveys and site visits by AMA employees.

Given all of this experience we believe that we are well positioned to be able to speak to Bill 203. Our association has reviewed the bill with great interest, and we are overall supportive of the intent of this legislation. We do believe, however, that there is an opportunity for some improvement or clarification as we move forward, and we will highlight those to you today. First, I do feel that I have a responsibility to speak to the vast majority of repair shops in this province, that they are full of professional individuals who are committed to providing the best possible service and value to their customers. Although there are some challenges and we may hear of these individual stories, it is very important to remember that these are not representative of the whole industry. Indeed, these would be exceptions to the norm.

Our first recommendation is to review section 57.6, related to authorizations not provided in writing. Practically speaking, many vehicle owners are not often present in a repair shop when authorization is sought. When developing regulations for this area, we recommend that mechanisms for verbal authorization by phone be permitted as long as a date, time, and name of the individual providing consent is clearly recorded on the work order.

Second, we note a couple of areas where return of parts is contemplated to either the vehicle owner or original repair shop. While we anticipate that the intent of this section is to rightly empower the vehicle owner and consumer and provide a layer of assurance that a repair has indeed occurred, this legislative direction does present a possible complication, particularly for core parts such as a steering rack, transmission, or engine. Today it is common practice for repair shops to fully replace these core parts with a rebuilt or refurbished part. Core parts that are then replaced are returned to manufacturers for refurbishment, and this cycle of reuse and recycling continues. Expecting the return of these parts disrupts this cycle, and we do not believe that this was the intent within the legislation.

Third, on the issue of warranty we do recommend that the 90-day or 5,000-kilometre warranty be noted as a minimum. Today many repair shops, including those that are AARS facilities, as was discussed previously, offer a warranty in excess of that.

Finally – I know that I'm in excess of my time – regarding the return of a vehicle to the original repair shop should it become inoperable, a clear framework for return of a vehicle to the repair shop must be established as this provision could become onerous.

We believe ultimately that with appropriate work and wherever practical in working together we can deliver the appropriate consumer protection to Albertans at repair shops.

Thank you.

**The Chair:** Thank you.

I will now ask the final presenter on this panel to introduce himself for the record before beginning the presentation.

#### **Canada's Building Trades Unions**

**Mr. Blakely:** I'm Bob Blakely. Thank you very much for the opportunity to be here. If I had known, I could have brought a PowerPoint presentation with some jokes on it. I don't have a rich, deep baritone, so I'm really in the worst position of all. I'm following a good presenter.

Although we represent a fair number of auto mechanics and heavy duty mechanics, we are the other skilled trades: the

boilermakers, pipefitters, plumbers – the kings of the Canadian construction industry, the plumbers. In a province that produces 25 per cent of all of Canada's apprentices, the Alberta advantage is our members. We're consumers. We've got a position on this bill.

I would like to very publicly thank the person who brought the bill forward, Mr. Carson. What it does is that it gets the debate going. We support consumer protection legislation. I am unfortunately unable to say that we support the bill root and branch. We support the position taken by CIAA. We think the bill should be withdrawn. But that should not end the discussion; it should be the starting point for the discussion.

I made some squiggly notes here.

I'm not going to tell you that the existing system is perfect, but the system that we have has operated independently in a number of ways. Ontario and Manitoba have a system. They don't have AMVIC. Ontario and Manitoba did not have the Fair Trading Act on which this is grafted. It creates confusion, it creates conflicts, and it reduces co-ordination.

I'm not going to parse all of the various sections for you. A number of other people have done that. Suffice to say there is a lot that needs to be done to make this bill successful. There is a role for education, whether it is my members understanding that they can bring their vehicle to any licensed repair shop and have work done. Sometimes they get told by inference or implication: if you don't bring this back to the dealer, you'll never get your warranty. We're consumers. We need consumer information.

You know, the five and a half feet that it takes to put the *Revised Statutes of Alberta* on a shelf – I've been a lawyer for 40 years as well as being a plumber, which is not a bad combination – in that five and a half feet, the Fair Trading Act: vaguely, I might have known something about it. Until this hearing and this process you might have vaguely known something about it.

We need to figure out where we're going to go. We need to take some of the topics that are set out in Bill 203 and build a consultation around it. We need to build an enhanced role for AMVIC. It is not a bad thing to have a self-regulated industry working for consumer protection in our province. You know, you need to help AMVIC out with focus, perhaps with funding, and deconflicting their role.

11:00

We need to have some significant consultations, for example, on the issue of warranties: is it a minimum, is it a maximum, or is it simply being made aware of what parts are warrantied and what parts are not? I think Mr. Ducharme alluded to the so-called white-box parts, the ones that are guaranteed for three minutes or one mile, whichever comes first. Perhaps if somebody is buying that part, they need to know that it's not warrantied.

Consultations, education of both industry and consumers, and then legislation: the list of topics in Bill 203 is a great starting place. Those are my respectful submissions, Madam Chair.

**The Chair:** Thank you.

Thank you, everyone, for your presentations.

I will now open the floor to questions from our committee members. I have Ms Miller on the list.

**Ms Miller:** Thank you, all, for coming. It was noted that the AMA has established the approved auto repair services designation as a way to help Albertans find reliable repair shops. Currently 330 or so AARS designations have been allocated. How many repair shops would you say do not have that designation?

**Mr. Kasbrick:** Thank you very much. Through the chair to MLA Miller, I do believe that actually within the AMVIC written

submission there is the total number of repair shops within the province overall, which is inclusive of a wide swath and array of the scale of those repair shops. You have dealers, which are more sophisticated, and many that are perhaps more independent or single-owner shops. I don't have the exact number handy. I believe it was within the written submission that was forwarded by AMVIC. Suffice it to say, however, to answer the spirit of your question, that the majority would not be designated as AARS repair shops.

Allow me to also just state that we are certainly not recommending, for any number of reasons, that the standards outlined through AARS be a legislative standard. We believe that we need to be seeking an opportunity for business owners and repair shops to go above and beyond and establish a platinum standard in service, to really show their commitment to customer service and experience. Allowing a voluntary program such as this to exist while ensuring that you have a basic level of legislative protection, I believe, is the direction to go.

**Ms Miller:** Okay. A follow-up?

**The Chair:** Just one moment.

I apologize for not requesting this previously, but I would ask that all presenters that are responding to a question identify yourselves prior to responding.

**Mr. Kasbrick:** That was the baritone Jeff Kasbrick.

**The Chair:** Thank you.

**Ms Miller:** Okay. As a follow-up, is there another type of designation businesses can apply for outside of AARS, and if so, how does this compare in terms of consumer protection standards?

**Mr. Kasbrick:** Through the chair to MLA Miller: not that I am presently aware of myself. We are focused very much on our AARS designation. I do anticipate that both through the Motor Dealers' Association as well as other associations that exist, there are recognition opportunities for those that do go above and beyond. My answer is one more of ignorance on that particular fact rather than to state definitively.

**The Chair:** Thank you.

Go ahead.

**Mr. Blakely:** If you look at consumer protection and consumer protection agencies, there seem to be a number of potential allies, but there doesn't seem to be a body imbued with the regulation of the industry and charged specifically with consumer protection. Enter AMVIC. It's self-regulating. It's industry wide. It could do that. I think that if you were to empower AMVIC as the consumer advocate, however described, for the auto business, you would get to where you want to be, ma'am.

**Ms Miller:** Thank you.

**The Chair:** Thank you.

Any other members wishing to ask questions of the panel? Mr. Horne, go ahead.

**Mr. Horne:** Yeah. I just wanted to first take a moment to thank everybody for coming to present today. I'm sure you're all very busy and have a lot to do, and it's really appreciated that you're taking time to share your insight with us.

I think all committee members would agree that AMVIC has a critical role in Alberta and that AMVIC is key to consumer

protection. Given this role, what areas do you feel AMVIC can improve on to strengthen consumer protection, and what sections of Bill 203 would facilitate this?

**Mr. Lagore:** I believe that we do a good job of protecting the consumer, and we are going to look at doing some town hall meetings to further educate the industry as to what the role of AMVIC is. I think education is probably the strongest tool we could use, to better educate people on what role we play.

**The Chair:** Mr. Rodney.

**Mr. Rodney:** Thanks very much, Chair. Thank you, Mr. Lagore, Mr. Kasbrick, Mr. Blakely, for being here today, and please extend our best wishes and thanks to the crews that you work with. You do great things for Albertans, and it doesn't go unnoticed. We do notice it.

With the lack of the support that I've seen for this bill in its form, the suggestion has been made that Service Alberta work with AMVIC on the Fair Trading Act when it comes up in a few years. Would you recommend to this committee, in short, just to get it on the record, that with great respect this bill, that might have been well intended, is not hitting the mark and to drop this bill and work in the years coming forward to make sure that the Fair Trading Act is accurate and up to date on a go-forward basis? Should we drop this bill and work on the other one in due course?

**Mr. Lagore:** Through you, Madam Chair, we would support working to change legislation to strengthen AMVIC's role in regulating and protecting the consumer.

**Mr. Rodney:** Thanks.

**The Chair:** Any other panel members wanting to respond?

**Mr. Kasbrick:** Thank you, I think, MLA Rodney, for that question. I am not prepared to suggest that the legislation requires being thrown out writ large. That is why we have taken what we hope is the productive approach of identifying a number of areas where, practically speaking, we recognize some challenges. What I am willing to say to you today is that certainly Bill 203 as it appears today, in the form that it is in today, would present some significant challenges, and we would not be supportive of Bill 203 in its current form being moved forward. However, we've tried to bring forward some friendly recommendations as to what we believe would strengthen the legislation.

I will say – and we see this also in traffic safety policy – that the discussion that we have had around educating the consumer as well as educating those repair shops is absolutely essential. I would suggest that even in the absence of Bill 203 moving forward, there is a fundamental importance in proceeding on that educational basis because what we know of human behaviour and what research tells us is that it is only through sustained public education and sustained conversation that we are actually able to get to the change that we're all looking for. A legislative approach is not enough. It needs to be reinforced with ongoing public education to be able to see that sustained impact that we're looking for.

**The Chair:** Thank you.

**Mr. Blakely:** I would suggest this respectfully, that the degree of amendment that would be required to Bill 203 to make it viable would in effect re-create the bill out of whole cloth. In that case, I think the bill should be abandoned. This is only my view.

I don't think you should wait until this comes up again. The issue has been discussed. There are some signposts along the way. You

could hold some consultations. We could look at trying to move education forward and then coming up with some legislated solutions that might work better for everyone and might have a very significant portion of both industry and consumers moving forward together.

**11:10**

**Mr. Rodney:** Thank you for the clarification, baritone and otherwise.

**Mr. Blakely:** I wish I was deep like that.

**The Chair:** Thank you.

I'd just like to remind panel members to introduce themselves prior to responding.

**Mr. Blakely:** I'm Bob Blakely, and I don't have a baritone.

**The Chair:** Thank you.

Anyone on the phone wishing to ask a question? You can always e-mail the clerk as well if you'd like to get on the rotation list.

Ms Miller.

**Ms Miller:** Thank you, Chair. Okay. I've got another question for Mr. Kasbrick. You mentioned that the AARS program provides an unparalleled standard of consumer protection. Can you discuss how these standards compare to Bill 203's?

**Mr. Kasbrick:** Absolutely, I most certainly can. This is an area that we took a look at. Let me walk through, if I'm able, some of the consumer protections that exist under AARS. First of all, there is an establishment of fair pricing as well as moving off a pricing manual. That, in my read of Bill 203, is not contemplated within the legislation. So around a pricing perspective there is a consumer protection that these now 345, approximately, shops have agreed to.

The warranty: again, this is our recommendation for establishing in legislation, in Bill 203, that the warranty contemplated would be stated as a minimum, because our warranty under AARS for parts and services is one year and 20,000 kilometres. We're looking in Bill 203 at it being 90 days or 5,000 kilometres. That's an area where we're in excess.

As well, our dispute resolution process is also not contemplated as part of Bill 203. Of course, there are certainly some protections that have been widely discussed under AMVIC, where consumers do have a dispute resolution process. However, that is an additional layer of assurance that's provided to our members when they work through an AARS facility.

Then the ongoing – and I think this is particularly critical. The designation is not given and then allowed to grow with age and collect dust. This is an area where we have very frequent contact and engagement with AARS facilities. They are inspected regularly. As well, consumers have the opportunity to be able to provide their feedback on the experience that they had with that facility. Of course, it is fair to recognize that other organizations and dealers, as noted previously, do offer those voluntary survey opportunities as well.

**The Chair:** Thank you.

Mr. Horne.

**Mr. Horne:** Thank you. I just have a question for the Building Trades Unions. Your written submission noted that your members are consumers of auto repair shops and that they're never really completely clear as to what their rights are under the current or the proposed legislation. Now, given that their vehicle is truly quite crucial to their employment, what issues have your members

encountered, and what do you think can be done to address those concerns?

**Mr. Blakely:** Like for any consumer, there are a variety of providers of services. There are the people who wish to distinguish themselves, as was pointed out, to get the platinum standard, and there are those whose standard might be down in brass or perhaps even lower, in plywood.

People who are consumers generally understand that they are going to have a service provided, but they don't know, as a rule, what is required as an estimate. They don't know what they're getting for a warranty. They don't know what their right is with respect to the discovery of something when they're authorizing work to be done. A bill of rights for auto dealer consumers could easily be put into every auto repair shop. Pamphlets, other sorts of material could be required. When you purchase a new vehicle, you get something saying: "These are your rights when you go to get repairs. Here's where you can get things repaired." We have a variety of people who are confused and nervous if they get a spark plug or the oil filter changed somewhere other than in the dealership.

So I think there are some opportunities here to let people know what they can do as a part of vehicle ownership and that there is a place they could go if they think: yeah, I got jobbed. Go and see somebody.

The mediated solutions that AMVIC does: you mediate almost every solution, I think. Am I right about that?

**Mr. Lagore:** Yes. Through alternative dispute resolution we've put out about \$25 million in claims over the last four or five years.

**Mr. Blakely:** You know, when you compare that to Ontario, where your remedy is to go to the provincial court and get in line, not such a good solution in Ontario. We've got a better mousetrap here. So that's the sort of stuff I'd like to see.

**Mr. Horne:** Thank you for your insight.

**The Chair:** Thank you.

Mr. Smith.

**Mr. Smith:** Thank you, Madam Chair. We've listened to a number of people today from the industry, and it's been clear, I think, for most people that are willing to listen, that there are some serious issues with this bill.

Putting the education solution, the recommendation, aside for a second, if we were to pursue this bill and move forward on it with maybe a few amendments but not necessarily exhaustive – as some of you have said, the number of amendments that would be needed to make this bill actually work would be significant. Let's assume we have a few amendments. You've alluded to the fact that the consequences and the level of confusion that this bill would bring forward to your industries would be significant. Sometimes I think it's important for us as a committee to maybe hear: just what level of confusion are we talking about, and how big a problem could be created by moving forward on this? Any one of you three would be fine.

**Mr. Blakely:** I'm not in their industry. I'm a pipefitter, and I'm a lawyer. When I put my pipefitter hat on and I look at it, I think: gee, this might be great. When I put my lawyer hat on and parse it and compare it to what exists in the current Fair Trading Act, there are a number of significant conflicts which I do not believe simple amendments will save. I wish I could say that it was otherwise, but I don't think so. I think that when you look at where the practice is

and you look at where the legislation is, the bill came from another regime, which was premised on a different system. Surely, it can't be that difficult for us to say that this private member's bill won't go forward and that we could go forward with something that might make a lot more people happy.

**Mr. Lagore:** Madam Chair, we're concerned with the enforceability of the bill as drafted, and there's a lot of duplication there that needs to be addressed, significant duplication, prior to proceeding with this bill.

**The Chair:** Thank you.

**Mr. Kasbrick:** Chair, if I may add to MLA Smith's question, when we take a look at the proposed legislation, what particularly strikes me would be the regulatory drafting that would be required as part of some of the provisions that are contemplated. I skipped over it near the end of my remarks, just being cognizant of time. However, the recommendation, as one example, of returning to an original repair shop unless otherwise not appropriate includes a multitude of factors that must be considered under regulatory development. What is not reasonably appropriate? Is it based upon kilometres? Is it based upon the significance in the scale of the repair? Is it based upon the day, the time of day, if you break down on a Friday and then the shop is closed throughout the weekend? There are any number of different circumstances to the enforceability piece as well as just the overall regulatory drafting. It does introduce some significant complexity that would need to be contemplated as those regulations are being drafted.

11:20

The other piece that I would add as well is that in that regulatory drafting what I would certainly hope is that even if the bill does proceed, the great relationship that exists between the vast majority of repair shops and their customers is not stymied or made more difficult as a result of new legislative protections that have a rightful place in dealing with those that really do need it and that they don't create an onerous burden for those that are already exceeding well beyond.

To the question of complexity, most definitely that is to be considered, but we must also consider the protecting of all consumers as well as the imbalance of that.

**Ms Miller:** Given that Bill 203 seeks to reduce tension between consumers and businesses by providing guidelines for authorization of work and given that there is a contention among your members that they did not consent to work being completed, can you elaborate on the type of issues the AMA and AMVIC deal with and how businesses and consumers address the issues and perhaps what best practices are in terms of authorization?

**Mr. Kasbrick:** I can certainly speak to that. With regard to the estimate process and providing consent for repairs prior to proceeding, we do indeed run into circumstances where one of our members may indicate after a repair is done that they did not consent to that. In fact, that would actually be our most frequent complaint that we would receive. Now, allow me to put that in scale and order of magnitude, though. On an annual basis, where we manage about 30 to 40 arbitration processes, certainly we'll have more complaints that may not necessarily need to move to that arbitration process. However, it's not the majority of circumstances. What we often find is that a simple process of establishing, as I have recommended in my remarks, a verbal authorization with notations being made on the work order of date, time, and who it is that had provided that consent can quite often rectify what may be a rather

unenjoyable experience for both the facility as well as the consumer after the fact.

**Ms Miller:** Thank you.

**Mr. Lagore:** We advocate that you get everything in writing as well and have it signed off. But through our alternative dispute resolution, as I said earlier, we've put about \$25 million back into the hands of consumers over the past years, so there is a process to resolve the issues.

**Ms Miller:** Thank you.

**The Chair:** Thank you.  
Mr. Horne.

**Mr. Horne:** Thank you. As I said previously, I think we can all agree that it's important to pursue consumer protection. It's my understanding that the entire mandate of AMVIC is around consumer protection, but given that it is a relatively new organization here in Alberta and that, as with many organizations, there are certainly some challenges that may be experienced, have these challenges affected AMVIC's ability to protect Albertans?

**Mr. Lagore:** I'm not sure I understand the question clearly. AMVIC has been around since 1999, and we have a good track record both in investigations and licensing and our alternative dispute resolution. If I'm missing the point, could you please clarify, MLA Horne.

**Mr. Horne:** Certainly, with the public there is some expressed need for further education on this, so I was wondering if you had any thoughts on how better to protect Albertans and if there are any challenges that AMVIC faces that, in addressing them, would help in protecting them.

**Mr. Lagore:** We have talked about working with the industry to try and get better information out to the consumer. I think that's one way of addressing it, that if you can get better information at the time they're in purchasing a vehicle or repairing a vehicle, it would be beneficial to both parties.

**The Chair:** Thank you.

**Mrs. Aheer:** I was just wondering: do you have some ideas around how that would happen in the process maybe going forward and help with exactly what you just put forward in answering Member Horne's question? I'm sure that consultations have been happening amongst your members and amongst people on bringing these services to people, so I'd be interested in hearing about how that's coming forward.

**Mr. Lagore:** We're looking at doing some education sessions with our membership, and we're going to try and bring some information to the industry and try and educate them there that they need to work something better with the consumer so that they're better informed and really advocate about putting everything in writing at the time you consent to work being done on your vehicle: the price, the warranty, et cetera.

**Mrs. Aheer:** Thank you.

Have you found with your consultations that any specific ideas have come forward on how to do that? Like, you were mentioning about specifically writing things down. Are you finding that it's coming towards an idea of what can happen in order to improve that aspect of consultation? You know, have you received specific

submissions on how to move forward with the education piece? I think that's the nugget here – isn't it? – making sure that people actually understand. I was just curious about what your outreach has been and what kind of ideas have come forward on how they need to be educated. What's the information? How do you present that to make sure that it's in bite-sized pieces that people actually understand? Obviously, it's very complicated.

**Mr. Lagore:** We haven't done any consultations yet to this point, but we do do a monthly bulletin to the industry. We have put information in there, and we can put more information in there on this.

**Mrs. Aheer:** Okay. Thank you so much.

**The Chair:** Thank you.

**Mr. Blakely:** There are two levels of information and education here. One is consumers; the other is the industry. If you look at the number of people who get paperwork when they buy anything, from a cemetery plot to pots and pans from a travelling salesman to whatever, there's the direct sales cancellation act. There's something there. People usually don't read it until they've had a problem. If you provide information to people when they buy a vehicle and if there is something on every invoice that says, "Here's what you've got" and it's up in the dealerships, sooner or later it will sink into people. It is not a bad thing to have a surfeit of information about the second most expensive asset that almost all of us own. Our house is the most important; our vehicle is next.

**Mrs. Aheer:** Thank you.

**The Chair:** Thank you.  
Mr. Shepherd.

**Mr. Shepherd:** Thank you, Chair. Again, I appreciate all of you coming in today. It's been very helpful to hear some other perspectives from some other organizations that are involved in the area of consumer protection.

Just pursuing, again, that education and communication piece, I've had the opportunity to talk with each of the panelists so far. I'm interested, Mr. Lagore, given that we've heard from some members of the board of AMVIC earlier today in some of their other roles and that they've clearly stated that they feel there does need to be increased consumer education, if I could get a better sense, I guess, of – you talked about AMVIC needing to work with members a bit better to educate them on how to speak to consumers. Do you see AMVIC itself sort of having a responsibility to reach out to consumers and educate them on the supports that AMVIC offers to protect their rights, or is that something, then, where you see that AMVIC's main role is to work with the industry to help them communicate that to consumers?

**Mr. Lagore:** Madam Chair, we have actually done some work in reaching out to consumers. We have attended trade shows, conventions, and we're going to be doing more of that. In fact, we've got one coming up next month. That is a way of getting the message out to the consumers as well.

**Mr. Shepherd:** Thank you, Mr. Lagore.

Mr. Kasbrick, I saw you raising your hand there, and I wanted to ask you as well, of course. AMA does quite a bit of this kind of outreach, obviously, with its membership and sort of with the larger community. Do you have any thoughts on what some of the best methods might be to try to communicate some of this information to Albertans?



11:30

**Mr. Kasbrick:** Absolutely, and thank you, through the chair to MLA Shepherd, for that question. I did want to respond to that because you're quite right; indeed, we actually consider to be one of our duties at AMA to be providing ongoing education to our membership. We have a number of mechanisms to do so. A couple come to mind just about how this can occur. One out of every 64 seconds AMA or one of our service providers is responding to a member call at the roadside. We have a very frequent and ongoing touchpoint with Albertans in supporting them in sometimes the most stressful of moments that they have, when they're broken down along the side of the road. Through that I know that our service providers as well as our own drivers that operate within the two metro areas have a strong commitment to providing our members with all the information that they can absolutely provide them in order to, hopefully, ease the stress. I think that's one mechanism where we can do so. We also reach out to our membership through our member magazine, which is the most widely distributed magazine, so it has a strong footprint.

But I think that what's absolutely critical when we look forward to this education is the simplicity of the message, the accessibility of the message when consumers need it. I think an excellent point that was made is that often we're reactionary in trying to find what protections exist for us, so we need to make that a simple and accessible message, but then we also need to look at the frequency of that. An education campaign is only effective if it's ongoing. If we do a one-time campaign and we leave the message through that one occurrence, unfortunately that doesn't have that same amount of effect.

Those are three attributes that I'd look forward to as well: the simplicity of the message, the accessibility of it, and the frequency overall.

**The Chair:** Thank you.

Go ahead, Mr. Shepherd.

**Mr. Shepherd:** Thank you, Mr. Kasbrick. What I hear you saying is that two important elements are that information is available at the point of contact, so where people interact with the service or with the issue, that's where the information needs to be because it's salient to them at that point. Secondly, then, that needs to be an ongoing and regularly present thing to confirm that and keep it present in the mind of the consumer.

With that in mind, it strikes me, then, that there may be some, as has been noted, aspects of the bill that we have before us that may be worth looking further into; for example, signage being something that provides them the communication at the point of service where people are interacting and would be a consistent reminder and message.

**Mr. Kasbrick:** Most certainly. Through the chair to MLA Shepherd, I can't disagree with anything that you've put forward, sir, and in fact, actually, one of the attributes of being an AARS facility is that you will have an indication of the fact that you are an AARS facility posted within your shop as well as some of the protections that exist. That's a consideration already under our program, so certainly we see that as a strong opportunity.

**Mr. Shepherd:** Thank you.

**The Chair:** Go ahead, Mr. Blakely.

**Mr. Blakely:** On the signage issue there's a real need for consistency. The sign shouldn't be: we fix 'em good. It should be something that is designated perhaps by AMVIC or by Service

Alberta which is consistent and gives you salient points and then refers you to where you get more complete information. That takes some of the reactionary stuff out of it and puts you into perhaps proacting.

**Mr. Shepherd:** Thank you.

**The Chair:** Thank you.

Mr. Horne.

**Mr. Horne:** Thank you. One of the written submissions that this committee received stated that Bill 203, in the submitter's opinion, would facilitate the building of trust, that it embodies integrity and the honouring of promises, and helps to create transparency. As the regulatory body that is responsible for consumer complaints, I was wondering if AMVIC could discuss some of the major consumer complaints that they encounter and how Bill 203 would help to build that trust and integrity and transparency between consumers and industry.

**Mr. Lagore:** Through you, Madam Chair, the majority of complaints that we receive are on the condition of the vehicle at the time of purchase, warranty issues, and also service issues, where the price may not have been agreed upon or the repairs weren't what was expected. We try to deal with the majority of those through the alternative dispute resolution process, but beyond that there is a need to educate the public, the consumer, and the industry on this. We're going to look at all methods. As I said, we do a newsletter. We are attending trade shows and conventions to get the message out, and we're going to look at doing some town hall meetings with the industry to try and educate them for their role as well.

**Mr. Horne:** Okay.

**The Chair:** Thank you.

Ms Miller.

**Ms Miller:** Thank you, Chair, and thank you, all. You've been a wealth of knowledge. I've got a question that I'd like an answer on from all three of you if I could. What can be done, in your view, to protect Albertans from the minority of bad actors operating in Alberta?

**The Chair:** Go ahead.

**Mr. Blakely:** I think we need to establish a system that does more than build trust. We need something that's clear, concise, and enforceable. I don't know that that's necessarily one of the features of Bill 203. I think what we need is a regulator that is funded, focused, deconflicts things, and will sort out problems for people at the lowest level. That includes both an educational and an enforcement component. I think we have the makings of that through AMVIC and through a process.

**Mr. Kasbrick:** I think we've noted, MLA Miller, within some of our comments that there certainly are a minority of issues that do exist around warranties as well as the estimate process that is followed. Those are some perhaps specific areas to drive towards the core of your question. What I would consider as well is that some of the other pieces that we've reflected on as part of today would be establishing a consistent standard and then communicating that standard with great frequency to consumers as well.

Quite honestly, I think that when we take a look at some of the protections that do exist within Alberta, we do have good reason to hold our head high. However, where we've absolutely addressed

and identified some of that opportunity is related to the consumer education piece and is making sure that we're providing that information when it's most relevant to them and that it's in a way that is digestible to them as well. If I were to take the one fundamental issue out of this that I think we've all learned together, it would be around that aspect of consistency in a message as well as availability and accessibility of that information.

**Ms Miller:** Thank you.

**Mr. Lagore:** Through you, Madam Chair, I would just echo those comments. I think it has to be a consistent message and has to be understandable to the consumer and the industry and continue to get it out there as much as you can. You're never going to get rid of the small minority of trouble players in the industry. You're always going to have some. If someone falls off, someone else is going to step into it, so you keep a consistent message to everyone.

**Ms Miller:** Thank you.

**The Chair:** Mrs. Aheer.

**Mrs. Aheer:** Thank you, Chair. To Mr. Lagore, there was a moment when you were speaking when you had said that industry education is a key component of enforcement and that new legislation will require additional resources for educating industry. I was just curious if you had any suggestions of where those additional resources will go and what that education process would look like towards the industry.

**Mr. Lagore:** Through you, Madam Chair, no, we have not given that any consideration yet at this time. It's just that we know that currently we don't have sufficient resources to do it all.

**Mrs. Aheer:** Okay. Thank you so much.

**The Chair:** Thank you.

Are there any other members wishing to ask questions of our panel? On the phone?

Hearing none, I'd like to thank our presenters for joining us this morning and for responding to the committee's questions. If a question is outstanding or if you wish to provide any additional information, please forward it through the committee clerk. Your time is very much appreciated. Thank you.

The committee is adjourning for the lunch break and will return to the record at 12:45 p.m. Members can proceed to the Canadian Shield Room. Thank you.

[The committee adjourned from 11:40 a.m. to 12:45]

**The Chair:** Good afternoon. We are back on the record. The committee is hearing oral presentations today regarding the review of Bill 203, Fair Trading (Motor Vehicle Repair Pricing Protection for Consumers) Amendment Act, 2016.

I'd ask that members and those joining the committee at the table introduce themselves for the record, and I will then call on members and presenters joining the meeting via teleconference to introduce themselves. I'm Nicole Goehring, MLA for Edmonton-Castle Downs and chair of the committee. I'll start to my right.

**Mr. Yao:** Tany Yao, Fort McMurray-Wood Buffalo.

**Mrs. Dresen:** Debbie Dresen, Jiffy Lube.

**Mr. LaRocque:** Mike LaRocque, NAPA Canada.

**Ms Walton:** Elaine Walton, OK Tire.

**Mr. Durand:** Melvin Durand, Parkland Automotive.

**Mr. Hesje:** Brent Hesje, Fountain Tire Ltd.

**Mr. Hinkley:** Good afternoon and welcome. My name is Bruce Hinkley, MLA, Wetaskiwin-Camrose.

**Ms Miller:** Good afternoon. Barb Miller for Red Deer-South.

**Mr. Horne:** Good afternoon. Trevor Horne, MLA for Spruce Grove-St. Albert.

**Mr. Carson:** Good afternoon. Jon Carson, MLA for Edmonton-Meadowlark.

**Ms Babcock:** Hi. Erin Babcock, MLA for Stony Plain.

**Drever:** Good afternoon. Deborah Drever, MLA for Calgary-Bow.

**Mr. Shepherd:** David Shepherd, MLA, Edmonton-Centre.

**Mr. Koenig:** Hello. I'm Trafton Koenig with the Parliamentary Counsel office.

**Ms Robert:** Good afternoon. Nancy Robert, research officer.

**Mrs. Sawchuk:** Good afternoon. Karen Sawchuk, committee clerk.

**The Chair:** On the phones?

**Dr. Swann:** Hi there. David Swann, Calgary-Mountain View.

**Ms Jansen:** MLA Sandra Jansen, Calgary-North West.

**Ms Luff:** Good afternoon. Robyn Luff, Calgary-East.

**Mr. W. Anderson:** Wayne Anderson, MLA, Highwood.

**The Chair:** The presenters: we have Mr. Jason Guenter.

**Mr. Guenter:** Hello. Jason Guenter, Prairie Lube Ltd., operating as Mr. Lube.

**Mrs. Kaltenbruner:** Hi there. I am representing Harold's Auto Service in Lethbridge.

**The Chair:** Thank you.

The participants for our next panel have been invited to make a five-minute presentation respecting Bill 203, after which I will open the floor to questions from members. The panel is scheduled from 12:45 to 1:50 p.m., automotive service and repair.

I would like to welcome the representatives from Jiffy Lube, Mrs. Debbie Dresen, vice-president of business development; Prairie Lube Ltd., Mr. Jason Guenter, chief executive officer, via teleconference; NAPA Canada, Mr. Mike LaRocque, district manager, NAPA Auto Parts; OK Tire, Spruce Grove, Ms Elaine Walton, owner-operator; Signature Tire Rimbey, Mr. Melvin Durand; Fountain Tire Northland, Mr. Brent Hesje, chief executive officer; and Harold's Auto Service, Mrs. Beverly Kaltenbruner, owner-manager, via teleconference. I'd ask each of you to begin your presentations by introducing yourselves for the record. We'll begin with Jiffy Lube. Go ahead, please.

**Jiffy Lube**

**Mrs. Dresen:** Hello. Good afternoon. My name is Debbie Dresen, and I'm here representing Jiffy Lube and to address some of the concerns about Bill 203 that our owner-operators have expressed to me. There are 60 independently and locally owned and operated

Jiffy Lubes in Alberta. Jiffy Lube owner-operators are small-business owners providing preventative maintenance services, mainly oil changes. Customers drive up and into the store and stay in their vehicles for the length of the service, usually about 20 minutes. During this time the customer is in constant contact with the technician.

The background material relating to Bill 203 suggests the hoped-for result is increased transparency and consumer education. The question is whether this particular bill is effective, necessary, or optimum to achieve those outcomes. We believe it is not.

Bill 203 has two purposes, first, to regulate disclosure and communication between automotive service providers and their customers. It requires written estimates, written authorizations, specific signage, specific content in invoices, and maintaining paperwork. It also requires the return of used parts. The second purpose is to provide a minimum warranty on parts and services.

I'll briefly talk about the bill as it relates to estimates, return of parts, and warranty from the Jiffy Lube perspective. First, estimates. When a customer drives into a Jiffy Lube, the technician lets the customer know the cost of an oil change and possibly other products and services required or recommended. This process allows the customer to know the costs in advance and allows the customer to make an informed decision. After reviewing Bill 203, our owners expressed concerns about needing to print the quote, have it signed; print an additional quote if additional services are recommended, have that signed; do the services; then print the invoice and have that signed, all within the space of 20 minutes. The additional paper, administration, and risk of delaying and irritating the customer is not necessary to ensure transparency or better communication. We believe Jiffy Lube's processes meet the goals of transparency and customer education, yet if the bill came into force, the current processes would constitute an offence punishable by fine and/or prison. In our view, the current draft is overly prescriptive, with an emphasis on unnecessary paper and administration.

Customers should not be charged in excess of a quote or estimate as a matter of good business practice. However, when that fails, customers are already adequately protected by existing legislation. The proposed section 57.5 duplicates the existing section 6(2)(e) of the Fair Trading Act and section 12(h) of the automotive business regulation.

Secondly, regarding the return of parts, first, the proposed requirement regarding the return of parts in the bill appears to already be covered in section 12(n) of the automotive business regulation. Second, from the Jiffy Lube perspective, the return of used oil filters is contrary to best practices and to Alberta's used oil recovery and recycling program. A standard used oil filter can contain up to eight ounces, or 250 millilitres, of used oil. Since many filters are 85 per cent steel, they will take forever to decompose in the landfill. One litre of used oil can contaminate 1 million litres of water. Jiffy Lube fully supports and is in compliance with the Alberta government's used oil recovery and recycling regulation. We are committed to the proper handling and disposal of used oil, used oil filters, and used oil containers. Bill 203 is inconsistent with this on that point.

Finally, the warranty provision. Warranty is typically a matter of contract. The requirements to make a claim under a manufacturer's warranty are set by the manufacturer. Filters, for example, are under warranty by the manufacturer. Oil is also warrantied. In order to take advantage of those warranties, the manufacturer's terms must be complied with, and these are not reflected in this section. For example, if the filter is defective, it must be returned with certain information needed by the manufacturer. This section of the bill attempts to require the manufacturer, not an Alberta or Canadian

company, to provide a warranty without the return of the part. Under the proposed section the service provider or owner-operator is required to warranty a part which isn't returned and for which it would not be able to recover from the manufacturer.

In conclusion, Jiffy Lube's processes are designed to allow for transparency, education of the customer, and convenience on routine vehicle maintenance, yet these same processes could subject an owner-operator to fine or prison under the proposed bill. The emphasis is on paper and administration over customer service. Several sections of the bill duplicate existing provisions, which is confusing at best, several of the requirements are impractical for oil change stores, and the specifics of the warranty section are unfair to small-business owners. Bill 203 is redundant in places and in relation to fast lubes is impractical and overly burdensome.

**The Chair:** Thank you.

Next we'll hear from the representative from Prairie Lube Ltd., who is participating via teleconference. Please introduce yourself for the record, and then you can proceed with your presentation.

### **Prairie Lube**

**Mr. Guenter:** Hello. I'm Jason Guenter, Prairie Lube Ltd., operating as Mr. Lube. I'm, in fact, in the same business as Jiffy Lube and concur with a number of the points that were made previously. Alberta is the only province in Canada that utilizes a regulatory body such as AMVIC to regulate and mediate repair services under the Fair Trading Act. To operate an automotive business in Alberta, you must hold a valid AMVIC licence and abide by all the regulations in order to not only maintain your licence but also to avoid facing penalties and even possible prosecution. We're extremely fortunate to have AMVIC. I feel Bill 203 will not only create conflict within the existing legislation but will also place expectations clearly outside of the jurisdiction of AMVIC.

I'll touch on a couple of the points as proposed in the bill. The estimate section. Retain the current fair trading intent but also ensure that the language clarifies that any and all fees that are going to be charged receive consumer consent prior to commencement. As professional service providers Mr. Lube must be held responsible to a standard that respects and ensures that consumers are always left in control of their money. Customer service and empathy are number one with Mr. Lube. Respectively, our professional expertise merits the right and ability to seek fair compensation for services rendered, and additional estimating work will require undue paper and administration on our behalf.

### **12:55**

Authorization in writing. The regulations specify forms and acceptable methods of obtaining consumer consent on authorization. I believe that that authorization can be in writing, electronically expressed by text or e-mail, and/or verbally by phone. It's not practical to expect a consumer to print off, sign, and return an authorization to a shop at all times. Paramount here is making sure that the consumer is able to make an informed decision.

Signage. We currently post signage in our stores, being AMVIC licensed. Standardized signage contains items pertinent to consumer rights such as estimate authorization requirements, rights for parts returned, AMVIC contact information, and such, along with billable hours.

As for warranty, products that we supply are warrantied by manufacturers. They typically already run a 90-day, 5,000-kilometre parts and labour warranty. I believe that instead of the government trying to regulate the terms of a mandatory warranty

period, we should be responsible for disclosing the terms of the warranty as we do and offering it prior to the work commencing. Responsible repair service facilities such as ourselves take care of their customers. We are more than willing to warranty any issues that arise from the products or services that we supply.

That's all I have. Thank you.

**The Chair:** Next on the panel is NAPA Canada. Please introduce yourself, and then proceed with your presentation.

#### NAPA Canada

**Mr. LaRocque:** Good afternoon, Madam Chair and committee members. My name is Mike LaRocque, district manager and representative of NAPA Canada. Mr. Simon Weller of NAPA Canada was unable to attend today, so I'm in his stead. I'm also on the board of the northern Alberta Automotive Industries Association, the AIA, and we support the Canadian Independent Automotive Association, the CIAA, in their view on Bill 203.

The automotive market in Alberta employs more than 55,000 people and is a \$4 billion industry. NAPA Canada has two Alberta distribution centres, 90 service and parts locations, and employs approximately 900 people in Alberta. NAPA Canada is a subsidiary of the Genuine Parts Company, which operates globally. We indirectly represent thousands of parts manufacturers. We support not only automotive and light truck after-market repair facilities but also automotive dealers, that you heard this morning, heavy-duty, and industrial customers. NAPA Canada shares a strong business relationship with the automotive and light truck repair owners in Alberta in this region. We provide parts, equipment, training, value-added services, including warranty coverage, provision for return of parts, and various product support.

It is with great concern that we address you today regarding Bill 203. Creating better industry standards that protect both the consumer as well as the automotive industry is important for all of us; however, we strongly feel that Bill 203 as currently written would require significant amendments to achieve adequate protection for consumers and fair business operation. That is why we ask you to carefully consider the CIAA's position not to support Bill 203. Information and suggested amendments from the CIAA have been discussed. If you feel that the suggested amendments as outlined by the CIAA are unachievable within the context of the private member's bill, then we respectfully request that you vote for the dissolution of Bill 203.

I'll touch on a couple of areas of concern, one of them being the warranty in section 57.11(1).

57.11(1) On the repair of a motor vehicle, a repairer is deemed to warrant all new or reconditioned parts installed and the labour required to install them for a minimum of 90 days or 5,000 kilometres, whichever comes first.

On September 19 MLA Jon Carson addressed the fact that the warranty topic contains too many variables. He said:

There are many variables within the warranty process that make it very important to continue consultations around this topic. Going forward, I would like the committee to consider the impact that minimum warranties would have on the industry before making any deliberations on the issue, but I do believe it would be hard to implement and even harder to regulate.

Responsible repair service facilities, parts distributors, and manufacturers take strong precautions for their customers and look after warranty by stringent processes with suppliers and subcontractors.

Mr. Carson also noted that the industry uses warranty as a selling and benefit feature for products and services. He recognizes that there are best practices in place, and we fully agree. Currently the

industry has warranties ranging from 90 days to lifetime provisions on a variety of products. In a warranty situation where the customer has a breakdown after repair, the tow-back provision makes assumptions that might not be born out of facts. If Bill 203 insists the first repair facility is responsible for all or any repairs and expense borne by the other facility, it is unfair. Expecting that the shop is to pay may lead to abuse. Please consider what would be reasonable towing cost or distance; for example, a repair in Edmonton and a failure in Jasper.

What is defined as misuse and damage to a vehicle? Who will determine and regulate these issues? What rights or system verification will the facilities have at their disposal to mediate workmanship and defective parts disputes? Who will determine if commercial or fleet vehicles will qualify for warranty? There is excessive wear due to commercial driving.

In the section of returned goods, in 57.9, there is additional concern. After a repair facility has accepted the expense of warranty repair, the reimbursement of the expenses will most likely be requested from the parts supplier or manufacturer. As mentioned earlier, there are already processes in place in the industry, and changes could open abuse and unfair practices.

A consumer who is seeking reimbursement under this section shall return, upon the request and at the expense of the original repairer, the defective parts to the original repairer unless, in the circumstances, it is not reasonably possible for the consumer to do so.

Returning failed goods can also be deemed as a risk in transporting dangerous goods or items. They may not be easily or economically viable to transport. There are serious logistical, environmental, and safety concerns with the proposed subsection 2, for items such as gasoline filters and contaminated fluids. They need to be kept separate. We are required to have special containers for such items and ensure proper and safe storage. Not all facilities have adequate space that would allow for separation or transport. Please also consider the expense of the defective parts to be sent – who actually would pay for that? – and also the clean containers and how we'd be able to have the expense and the portion managed.

In summary, this portion of issues with Bill 203 is not limited to the full scope of the proposal, concerns, and recommendations from the CIAA. If any resources are required, we'd be pleased to share them with you. We sincerely believe that upon further investigation you'll understand our concerns and reconsider supporting Bill 203 as it currently exists.

Thank you.

**The Chair:** Thank you.

Our next presenter is from OK Tire Spruce Grove. Please introduce yourself for the record before starting your presentation.

#### OK Tire

**Ms Walton:** Hello. My name is Elaine Walton, and I'm here from OK Tire in Spruce Grove. My husband and I own and operate in Spruce Grove, and it is an automotive and repair facility and tire shop. We've been there almost 40 years as a store. We are the third owners, and we are currently in our fifth year of business.

The proposal, Bill 203, actually leaves us with more questions than it does answers. Some of the challenges that we see in the bill, specific to it, are written consent. This would hinder our efficiency and our livelihood as customers generally don't wait with their vehicles for automotive repairs. This would create unneeded challenges for our customers. As a reputable facility we already have manufacturer warranties on parts and labour in place, and we do our best to retain our customers and to alleviate any potential

issues on-site if parts are to fail outside of these timelines. Quite often we have customers that drop off their vehicles with us for the day, and perhaps they work in downtown Edmonton. So to get a signature once we find out what work needs to be done is not really realistic for us unless they wanted to leave their vehicles with us an additional day once they come home from work, to sign off on it, and then to have us repair it the following day. So it's not efficient for us as a shop, and it's also not efficient for the consumer.

Secondly, diagnosis. Should the time it takes to diagnose now be free if the customer chooses to go ahead with the work, repair facilities will suffer. Technician labour billed is a big part of a repair shop's income, and it helps to pay for technicians, new tools such as a scanner, which can easily be \$4,000, front staff, rent, utilities, taxes, and much more. Cutting this income with free diagnostics will have a strong, negative impact on business, which can also lead to cutting wages, hours, layoffs, and possible business closure.

1:05

Another question we have is: why do we have AMVIC? AMVIC is a mandatory body that we have to be a part of, that we pay into, and it's there to protect the consumer but also to keep industry in line. So perhaps with the foundation that AMVIC already has, this is a great opportunity for us to build upon it and to have, maybe, stronger regulations in place, a greater ability for AMVIC to engage with business and consumers so that there is greater transparency and communication. Maybe part of AMVIC could be spending some of their money on advertising so that the consumer is aware that there's a body that they can go to if they feel that the shop that they've dealt with isn't transparent.

In closing, as a business owner and as a consumer we are in favour of open communication and transparency; however, we do not feel that this communication took place prior to the creation of this bill. We encourage you to open your doors, to continue to consult with industry, and get to know more about AMVIC. We also invite you to visit our store and spend time getting to know one of the many small businesses in Alberta that help to drive the economy forward.

Thank you.

**The Chair:** Thank you.

We will now hear from Signature Tire Rimbe. Please introduce yourself before starting your presentation.

#### Signature Tire Rimbe

**Mr. Durand:** Melvin Durand from Signature Tire in Rimbe.

Accountability is what I interpret Bill 203 to be about. What I'm not sure about is what its purpose is as there is already a governing body with rules and regulations in place for consumer protection, to cover the concerns covered in Bill 203 as written. This body is AMVIC.

I agree with being held accountable in everything that we do; however, I do not agree with making a repairer solely accountable. In Bill 203 there's no mention of the consumer's, the manufacturer's, or the supplier's accountability for any of the processes. It seems that the fact that the repairer neither built, designed, nor manufactured the part is forgotten, yet they are still held responsible for everything related to it. Aside from an installation error the repairer should not be liable for the costs of labour or the parts in question. The responsibility for failed parts and all aspects thereof should rest with the manufacturers and suppliers. I fail to see why any repairer should be held financially responsible for vehicles which they do not own. The consumer should be responsible for that, should they not?

With respect to estimating, Bill 203, basically, is speaking of good business practice. Perhaps that is the purpose of Bill 203. One would assume that a respectable business would provide information or an estimate, if you will, to the consumer about repairs required and the cost associated with those repairs. If this isn't a standard operating procedure, I would hope that a consumer would take this into account when choosing a service provider. If such an incident were to arise, where unauthorized repairs were made, the consumer has the opportunity to contact AMVIC, and their repair facility would then be investigated. This is another area where the consumer should be held accountable.

Maybe this is the purpose of Bill 203, to bring to light the secret organization known as the Alberta Motor Vehicle Industry Council, or AMVIC for short, to inform and educate the public that AMVIC is there not only to protect the consumer from improper business practices in the automotive sales sector but also in the repair sector. Every repair facility in Alberta is a mandatory member of AMVIC except for, of course, the curbers.

Mr. Carson said that he wasn't afraid to open this can of worms, so here comes the protein. Bill 203 has brought to light a broken industry. AMVIC is attempting to repair this; however, its focus is mainly on the vehicle sales side of the industry, and it's falling very short on the repair side. Perhaps Bill 203 can be salvaged from the train wreck that it has become and made into a meaningful and purposeful tool to fix the automotive repair industry. This can be achieved through increased public awareness and education programs as well as addressing part supply challenges and inadequacies.

Please use this bill to make the industry better for Alberta, to make Alberta roads safer through implementation of effective policies, and leave the business practice grading to the Better Business Bureau and to the local coffee shops.

Bill 203 doesn't speak to anything about the safety in the industry or the vehicles on the road. We deal on a daily basis with vehicles that are a year or two, three years old that should not be on the roads. There is nothing that the automotive industry can do for that aside from phoning the local RCMP and saying, "I've got this vehicle going out my door. The customer does not choose to repair it." That's our only avenue for that.

We need to fix the industry. We need to fix the fact that people can go to Canadian Tire or any parts supplier and buy a ball joint, a tie rod, anything like that safety related and install it on their vehicle on their own. They don't have the training, they don't have the tools, they don't have the expertise, yet they can do that. These are the people that are driving on this road today. When you're walking home tonight, think about the guy that installed that tie rod on that vehicle that's right beside you. Who tightened those wheels, and so on and so forth?

Thank you.

**The Chair:** Thank you.

Our next presenter is from Fountain Tire Northland. Please introduce yourself, and then you may begin your presentation.

#### Fountain Tire Northland

**Mr. Hesje:** Good afternoon. I'm Brent Hesje. I am here representing Fountain Tire Northland Calgary Ltd. My role in that business is I'm a director of that company. My fellow director, Scott Kessler, is here today from Calgary. My other role within Fountain Tire is I'm the CEO of the company. We're proudly in Alberta for 60 years. We celebrated our anniversary last year. We are a network of independent operators, where we own 50 per cent of the business and the operator owns 50 per cent of the business. We're often

misunderstood as a larger corporation, but we're a group of small businesses. I guess we export our model outside of Alberta as well because we are in Ontario and all the way to Vancouver Island. We had this company for 60 years based on trust and common sense, and some of things that we look at in this proposed bill do kind of fly in the face of that. So that's why we're here today, and we're very thankful that we have an opportunity to speak to this bill.

Basically, we have four issues of concern: around estimate fee diagnostic time, authorization not in writing, return of parts, and warranty. But before I get into that, we definitely agree as a company that customers should never be charged for something that in concept they haven't agree to. If they're new in the relationship with the service provider and the trust isn't established, we think there are things that can be put in place to help nurture that relationship, but ultimately we build trust, and common sense can come into play.

The current Fair Trading Act stipulates that no service provider can charge more than 10 per cent above the estimate to a maximum of \$100 more than the estimate. Currently the Fair Trading Act certainly provides some customer protection on the price side. Specific to the estimate fee and diagnostic time, some points around that, we think these need to be treated very separately. They're very separate concepts in our industry. An estimate fee should relate to the price of doing an estimate for the customer. A diagnostic fee should refer to the price of diagnosing the problem on the vehicle. We agree that neither should be charged without agreement from the customer, but a government-imposed maximum estimate fee will likely result in service providers charging customers an estimate fee. We believe it is very rare in our business, in our industry.

A government-imposed maximum diagnostic fee is very tricky. Most of the time we request and get approval from customers that one hour of diagnostics is required to understand the problem. If it's more complicated than that, we need to contact the customer to request more time to diagnose the issue. The amount of time to diagnose a complicated issue can vary significantly, and until the diagnosis is complete, it can be very difficult to give the customer an estimate for the work to fix the vehicle. It can conclude to the wrong diagnosis and then unnecessary repair on the vehicle. To give customers recourse for a diagnostic time that appears excessive, we believe there should be recourse through AMVIC for customers that feel the charge was too high.

The other thing that's very important about diagnostic work: we believe it's always in the best interest of our customer, and to do it in this day and age decade after decade, we have to invest in state-of-the-art equipment and we have to invest in state-of-the-art training. Of course, we live in a great province. It has the two polytechnics to provide that kind of training, but that investment is significant for an operator of businesses.

Authorization not in writing, our second issue. The regulations need to specify the acceptable methods of getting consumer consent, which we believe should include things such as e-mails, texts, or recorded audio to make it easy for customers to provide proof of consent without having to come back to the shop to sign consent forms. The signature part needs to be clearly outlined because if we have to wait – in the course of business even a 10-minute delay to get a signature causes that vehicle to not be ready for that consumer at 5, and then the domino effect within the shop can cause all the customers' vehicles not to be ready on time.

**1:15**

The third issue, that I mentioned at the start: return of parts. To speak to that, the current Fair Trading Act stipulates: "offer to return all parts removed from the vehicle in the course of work or repairs

to the consumer, and return them unless advised by the consumer that the consumer does not require the parts to be returned." Bill 203 proposes how the repairers should keep and return the parts. We believe that this additional legislation isn't required and that each repairer should be able to determine what is required to meet the requirement of the Fair Trading Act.

The final point: warranty. We agree that consumers need to be protected through warranty, which is why we currently offer our customers a one-year or 20,000-kilometre warranty on parts and labour. I think it was mentioned earlier just how strong and comprehensive warranties are for suppliers in our industry. Our first concern is: who and what bodies should be responsible for determining the cause of failure leading to the breakdown? You have to realize that it's in our best interests to warranty parts and labour that malfunction because of the damage to our reputation associated with consumer complaints. However, some conditions aren't warrantable such as consumers running into a curb with their vehicle and causing damage to the vehicle through no fault of a part. This proposed legislation doesn't specify how that determination is made.

Finally, our second concern with warranty is with the consumer having the right to choose where to go for the repair. That is very concerning for us. Our warranty gives the customer the ability to call a 1-800 number for the nearest repair facility, and we would direct them there. The warranty gets approved, and the repair, usually at a Fountain Tire but sometimes another establishment if there is no Fountain Tire nearby, an element of common sense, gets paid immediately by the warranty provider by a credit card. But if the customer unilaterally chooses a facility and demands the repair, this process breaks down, and payment to that facility becomes a significant challenge because it's not through our established process.

Thank you.

**The Chair:** Thank you.

Our final presenter for this panel is joining us via teleconference from Harold's Auto Service. Please introduce yourself for the record, and then you may proceed with your presentation.

#### **Harold's Auto Service**

**Mrs. Kaltenbruner:** Hello. Beverly Kaltenbruner on behalf of Harold's Auto Service in Lethbridge. We are a second-generation family-owned business in business since 1973, so we have a pretty broad spectrum of history on how we have developed the systems we have.

I applaud the concerns raised by many prior speakers, and I suggest that Bill 203 be withdrawn because its limited and nonspecific scope and language make it inapplicable to the realities of auto repair. The original bill made sense in regulating autobody repairs, but applying those standards to repair services is like applying standards of dressing the human body to that of internal medicine and brain surgery. It just doesn't go across.

The bill seeks to address largely nonexistent problems while creating conflict along with cumbersome, unenforceable, and costly complications in a high-functioning industry. I've addressed specific concerns in my written submission and won't rehash that information. Nancy Suranyi clearly reiterated those same concerns for the CIAA. I am a long-term member, and I support those views.

It's my responsibility to educate consumers about proposed vehicle repairs, and I believe that it's government's responsibility to educate on consumer rights. I believe that consumer rights, industry obligations, and available recourse should be taught in driver education curricula. I believe that plain-English information

sheets should be included in documentation whenever vehicles are purchased, registered, or registration is renewed. My company already has AMVIC pamphlets in our waiting room, on our website, and is in the process of adding AMVIC contact information to every invoice. We also routinely advise customers to contact AMVIC with any issues that fall outside our company's jurisdiction.

I'm opposed to Bill 203 because of its disconnect from the realities of the industry and because it fails to take into account the individuality of customers. Every customer has different service expectations, expectations of what constitutes optimal vehicle service, and widely varying financial situations. Service providers must adapt to those individual wants, needs, expectations, and limitations while balancing those factors against providing best technical service and repair practices protected by comprehensive warranties.

In my shops standards of service levels, parts quality, and warranty already far exceed the standards of Bill 203. I am fiercely proud of our technical expertise, our commitment to transparent business practices, and the relationships we build with customers. We provide the best quality of service and technical expertise to everyone. Whether we're fixing a \$3,000 vehicle or a \$120,000 vehicle, the level of respect, customer interaction, and procedures do not change. I am highly invested in my staff, their abilities, expertise and constantly seek ways to better serve their needs while protecting the integrity of vehicle service quality.

We only recommend and install first- and second-line parts that can be fully warrantied. We will not warranty customer-supplied parts that can't be guaranteed for quality and source and could very well be a white-box part in an ACDelco box. My comprehensive warranty is posted in large print and displayed prominently in my waiting room. We also provide free roadside assistance for 12 months. Bill 203's warranty regulations leave it open to abuse, out-of-control costs, and environmental risk.

We educate customers about vehicle components whenever they don't understand the reason behind recommended repairs to empower fully informed repair decisions. We consider this best practice for consumers to retain control of their finances. We do not charge for estimates, only actual diagnostic procedures. We tell our customers: we won't spend your money until you tell us to. We always get authorization prior to repairs being completed. This is a rule of law in my business.

We are members of and have been awarded the Better Business Bureau business ethics award, something largely unheard of in our industry. I believe that if sellers and service providers were required to be BBB members, that would strengthen consumer protection and make more transparent customers' choice of service providers.

Service providers operating in an ethical or financially viable manner by guesswork: that can't happen. Increasingly intricate vehicle system, sensors, computers, and electronic components in today's vehicles demand that accurate mechanical and electronic diagnostics be completed in order to present accurate quotes for vehicle concerns. If we don't properly diagnose vehicle issues, we are failing ethical and professional standards. It's impossible to complete what can often be very labour-intensive diagnostics for free or even within predetermined limits. Vehicle repair is just not transparent enough to do so. Lacking the right to charge for diagnostic services, consumer costs can and will skyrocket as service providers are forced to average those costs into our overall labour rates or find less transparent means to cover costs. The ultimate result will unfairly increase consumer costs.

I believe the vast majority of Alberta's vehicle service providers are empowered and seek to provide the most ethical, accurate, and expert services, to produce the highest quality and financially affordable services possible. This commitment to success protects

the substantial investments that Albertans make in their vehicles and will ultimately ensure that consumer rights are protected. I believe that while well-intentioned, Bill 203's broad-stroke attempts to legislate consumer protection will damage rather than achieve that goal and add layers of unnecessary complication to a high-functioning industry.

Thank you.

**The Chair:** Thank you for your presentation.

I will now open the floor to questions from committee members, and I will ask that presenters both at the table and on the phone lines identify themselves prior to responding to the questions. Mr. Rodney, go ahead.

**Mr. Rodney:** Thank you very much, not only to you, Chair, but to all the presenters both in person and on the phone. Please extend our thanks for what you do, not just here today but every day.

I'm down in Calgary-Lougheed, the southwest corner of Calgary. I've had quite a response to the bill. Exactly zero per cent has been positive. It's been suggested by a number of you – I don't know if it was unanimous; I guess that's my question, Chair – and also by previous presenters in two different batches today that this bill be dropped. Is it true that everyone on the phone and in person is suggesting that Bill 203, although perhaps well-intended, has too many problems to proceed as it is written today? I'm seeing all heads nodding. How about on the phone?

1:25

**Mrs. Kaltenbruner:** You have a dead set head nod from Harold's Auto Service.

**Mr. Rodney:** I thought so.

**Mr. Guenter:** I agree.

**Mr. Rodney:** Okay. Thanks.

You know, it's become pretty clear that going forward, in a couple of years or so, it looks as though the fair trade legislation will be reopened. I suppose you're not opposed to that because if that occurred in a very open, transparent way, consulting especially AMVIC but folks like yourselves, then perhaps we could actually do what was intended in the first place. Would you support co-operating or just meeting with the government to discuss that piece of legislation in a proactive way rather than this sort of process?

**Mrs. Kaltenbruner:** I would be more than happy to get involved in this. My husband and I were very involved in the right-to-repair fight that we had with manufacturers in order to gain access to electronic information. It's impossible for any legislative body to make rules about an industry and governing an industry without first understanding the industry and understanding the challenges that we face on a daily basis. You can't improve upon something when you don't know exactly where improvements are required. I believe that most operators are like me. They're highly outspoken. They are dedicated to providing a great product to their customers, but you can't know that in order to formulate legislation if you don't talk to us.

**Mr. Rodney:** So I'm hearing: withdraw 203; have an active, participatory set of real consultations on the Fair Trading Act on a go-forward basis. And perhaps one more thing: whether it's corporate or government or a combination of both, perhaps just share the best practices that are already in place so that both consumers and professionals are on the same page.

**Mr. Hesje:** I would . . .

**Mrs. Kaltenbruner:** If I may . . .

**The Chair:** Perhaps on the phone if we could just wait.

We have Mr. Hesje. Then Mr. Durand indicated he'd like to speak as well.

**Mr. Hesje:** Yeah. I think that's very prudent even outside of us coming together to speak specifically about this bill. I am on the board of the Automotive Industries Association of Canada, an organization out of Ottawa. Even just looking at the right approach to protect consumers and to make sure that consumers can have their vehicle repaired by businesses that can be viable and be sustainable: there are so many changes in the industry that I think it would be very prudent to open up dialogue and discussion and have an attitude along your line of best practices, have an attitude that those best practices are sought outside of the Alberta borders and even outside of the Canadian borders. There are a lot of things we have to deal with because of technology in the industry.

**Mr. Rodney:** Thanks.

**The Chair:** Thank you.

**Mr. Durand:** To answer MLA Rodney's question about the bill, we do need to have industry consultations because you can't make a bill out of something when you don't understand what it's all about and how the industry works. We also need to address the safety issues that are going on out there, and Bill 203 addresses absolutely none of that whatsoever.

Thank you.

**The Chair:** Thank you.

Mrs. Kaltenbruner, did you want to respond?

**Mrs. Kaltenbruner:** Not really. I think I covered that already. I just need to reiterate that what is financially viable for one service provider may not be financially viable for another service provider to do. I'm not necessarily talking about best practices, but I'm talking about levels of service. There are things that I can do for my customers because of my financial situation that another shop that is starting out cannot do. But that does not change the basic technical expertise, knowledge, and quality of product that must be provided to consumers, and I think that is the focus of all shops already.

**The Chair:** Thank you.

Mr. Hinkley.

**Mr. Hinkley:** Yes. Thank you very much, Chair. Ms Jansen and I will be alternating some questions if that's okay.

First of all, I'd like to thank everybody for your presentations, the written presentations that we received before, very informative, and also thank you for taking the time today to join us here and online. I really appreciate your input because, with everything, we need to hear both the positives and the negatives. I am glad to hear of your interest in co-operation as we do go forward. It was mentioned that there are so many changes in the industry, that we all are conscious of consumer protection because that's how our business goes. When the consumers are happy, we are very profitable as well. I'm going to be asking questions about best practices and consumer protection, how we can refine that, and hearing what your thoughts are on those.

Now, I'd like to start with Debbie, if I could, simply because Jiffy Lube is in a slightly different situation than some of the other presenters. Also, in your presentation you did a survey among your 60 Jiffy Lube franchise stores across Alberta, so I'm curious and

I'd like to hear more about the survey that you did. Was it a survey, or how did you gather information from the other stores?

**Mrs. Dresen:** No, it wasn't a survey as such. I passed along the material, a copy of the bill, a copy of some other background material. I passed along my summary and comments, and then I asked for comments and responses. Then I compiled those and put them in a form that was our written presentation.

Overwhelmingly the concerns mostly were around the writing, the written portion, and having all this writing. We are different than some of these service providers. Our customers drive in. They're usually not looking for a question about what they're going to have done because they know that when they drive into a Jiffy Lube, they want an oil change. They're not usually coming in just to find out how much. They usually want an oil change, and then: what are their options there? They stay in the vehicle the whole time. It's a brief service. They're looking for efficiency. In fact, the practice is – and I hope all of you know this because you've been to a Jiffy Lube – that the oil change is usually why they're there, not always but often, and that is discussed. The package is discussed and recommended. That oil change is started, so the technician below is now dropping oil. That process is started. Then the technicians upstairs do the other checks. They check tires and other fluid levels and that sort of thing.

If then something is recommended – now, obviously, air for tires: that's nothing; it just happens. But if other things are recommended or at least not this time but next time, that's brought to the customer's attention, who is sitting right there, and notes are made on the final invoice as to all of this. If the recommended service is undertaken, it's undertaken after the initial talk about the oil change. So it's just to keep things moving, just to keep the service very convenient and very brief, and without the convenience I don't think we would have any competitive advantage. That's the concern, the main concern, of our owners: how do we manage all this paper, the signing?

**Mr. Hinkley:** Well, thanks. I appreciate your response. This actually got into some of my other questions as well, so thank you for that.

What was your response rate? Did all of the 60 stores respond?

**Mrs. Dresen:** No.

**Mr. Hinkley:** Was it a good percentage?

**Mrs. Dresen:** A portion hardly look at their e-mail in time. I would say that 10 have trouble with e-mail, and I have to phone. But I would say that the ones that I heard from quickly and spontaneously were about 40 per cent. In addition, when I talk to owners, which I do, I would bring it up, so that wasn't necessarily a spontaneous response, but I talked to probably another 20 per cent.

**Mr. Hinkley:** When you were asked the question about what you would do with this bill, keep it or kill it or whatnot . . .

**Mrs. Dresen:** I didn't ask that question.

**Mr. Hinkley:** . . . with the 40 per cent response are you comfortable that that represents the whole 60 stores?

**Mrs. Dresen:** Oh, I'm comfortable in the sense that we're in pretty constant contact with our stores. We also as head office receive feedback, spontaneous feedback, from customers, and we work with our owners. I'm also comfortable in the sense that the responses that I did receive were absolutely consistent.



**Mr. Hinkley:** Okay. Now you've just answered my next question as well because I wanted to know if you had done any soliciting of feedback from your customers.

**Mrs. Dresen:** No.

**Mr. Hinkley:** Oh, no, you hadn't? Just when people are in your shop, you get feedback from customers? You haven't checked with the customers at all?

1:35

**Mrs. Dresen:** We haven't checked with the customers at all. When I say that we received feedback, sometimes rather than going back to a store or talking to the store about a concern or a compliment or something, through our website or head office phone number people will phone in spontaneously or write in with feedback, positive or negative.

**Mr. Hinkley:** I guess sometime I'd like to hear what kind of feedback you're getting from that as well.

**The Chair:** Sorry. We have a speakers list. You've asked a few questions now. I'm going to go to Mr. Smith, and then I have Ms Jansen. If you'd like, I can put you back on the list.

**Mr. Hinkley:** Okay.

**The Chair:** Thank you.  
Go ahead, Mr. Smith.

**Mr. Smith:** Thank you. I just want to say thank you for coming out. You could all be doing things that would be providing money in your pockets and service to your customers, so to come here and spend an afternoon with us and a day perhaps out of your business, we understand there's a sacrifice that you've made to try to help make Alberta better. Thank you.

There's a trend in the answers that we've had today, and you've continued that trend of people that are very concerned about Bill 203. If we just assume that Bill 203 is set aside, that it doesn't continue, we've had several people comment on the fact that the Fair Trading Act is going to be up for reconsideration and for review. Could I hear from some of you: one, two, three, or as many who want to participate? From the concerns that you see Bill 203 addressing that relate to the Fair Trading Act, which one, say the top one or two, do you think that we as government or as a committee here could actually focus in on to begin that process of consultation with the industry to find out how we could better improve the Fair Trading Act? You know, out of the things that you've been talking about, what would be those one or two things that maybe we could focus in on here as a committee or as a government?

**Mr. LaRocque:** Madam Chair, maybe I'm unique in that I represent parts manufacturers, but in my history, in my life I've been in the automotive repair business for over 30 years. So I may speak on behalf of parts, and I may speak on behalf of the automotive repairers that are represented here today and even for the dealers as well. One of the most important things I believe in is that when you're creating an estimate and you're actually putting information out there, it is in the best interest of every person that's dealing with the customer simply to be up front, to be communicative, and talk about the expectations of what's going to happen in that day, right? But the minute that's broken down, that's what causes the problems, so there needs to be some training and education in regard to what is allowed, what is best. That's important. I think that if there's money to be spent, instead of

chasing this tail around, it's actually providing that money towards education and talking about that. That would be so important.

The second portion, maybe in regard to warranty. Manufacturers and individuals that have warranty provisions not only by the manufacturer but by the repair centre like Jiffy Lube or Fountain Tire: that is a very complex process, and there are a number of different mechanisms not only in Canada but in the United States in regard to how to provide warranty. To pigeonhole it to one particular area is very confusing, and I think it's very advantageous for us as an industry to be able to provide that warranty and create that value in the warranty because there are individuals that do choose: "You know what? I'm going to only put on this type of part because I'm selling my vehicle next week." If they want to have something of value, they're going to buy something that's going to have a better warranty. Whether somebody is going down the street to one store or to a larger box store, there's marketing value in that. There's marketing value in membership and association and how the warranty is provided. Hopefully, in answer to that question, Mr. Smith, it's a case in point. Let us take care of the warranty procedures.

**The Chair:** Thank you.

Mr. Durand, did you indicate you wanted to respond?

**Mr. Durand:** I believe the estimating and the warranty, as Mike alluded to, are two areas that need to be left in our hands. The estimating. It requires a lot of time to provide an estimate. It's not just a matter of going, "\$200," okay? There's a lot of work involved. There's a lot of background research. To actually get to the point where you have to figure out what you're repairing takes a lot of time and a lot of questions. We need to educate the consumer that you can't just throw the keys and say, "There's a noise. Find it," okay? There are a multitude of questions that need to be answered and asked properly, and it takes time. It's not a two-minute process. If the consumer isn't willing to provide the time and the information, the estimating process is not effective at all.

**The Chair:** Thank you.

Are there any other members on the panel that wish to respond?  
On the phones?

**Mrs. Kaltenbruner:** I'd like to respond.

**The Chair:** Go ahead.

**Mrs. Kaltenbruner:** There is a distinct difference between a quote and an estimate. An estimate is a guess. An estimate is Joe Consumer phoning me up on the phone and saying: "I want a ballpark figure on my brakes. What's it going to cost to put brakes on a 2003 Acura?" We can ballpark that figure, but without having the actual vehicle information with the VIN and all of the specifics related to that particular vehicle, we cannot provide an accurate quote on exactly what the cost is going to be. There's a wide variety of levels of knowledge that are required even once the vehicle is in the shop. If we're going to do a quote on what the costs are to do brakes on a vehicle, it's a relatively simple input procedure. But if we're going to quote on the cost of repairing an internal failure or on a computer- or sensor-related diagnostic issue, I mean, that can involve hours and hours and that's a very complicated process.

Even having an individual come to the shop with their check-engine light on isn't a matter of simply plugging the scanning tools into the vehicle and it magically pops up with the answers to it. All that does is give you a starting point after which the technicians have to eliminate possible causes that could have caused that light to be triggered. This procedure can take anywhere from 10 minutes

to a number of hours to finally get to the base cause, and only then are we able to formulate an accurate quote of exactly what it will cost to fix that particular problem. But in the meantime we could have expended anywhere from 10 minutes to two or three or four hours getting to the point where we could do that for the customer.

I think this encompasses part of the disconnect in Bill 203 between what you're trying to achieve and doing so within the realities of the industry and the complexity of the vehicles that we work on on a daily basis. I think that's something that needs to be addressed and be considered with very, very careful consideration to the entire subject.

**The Chair:** Thank you.

Ms Jansen. Oh, sorry. Before I go on to you, Ms Jansen, Mrs. Dresen would like to respond.

**Mrs. Dresen:** Just briefly, I think the question is: in what way or how should the Fair Trading Act be improved? I think the question as well as this bill, for me, presupposes that there's some gap in consumer protection. I'm not sure if this is the group, but for sure I can speak for myself. I don't know what that gap is. I mean, maybe there is a deluge of complaints from consumers about one thing or another, but we certainly don't get that. So I have to assume, when I read Bill 203, that it's meant to address an issue. I wasn't aware of that issue prior to reading the bill.

1:45

**The Chair:** Thank you.

Go ahead.

**Mr. Smith:** Thank you. That does tie in with some of the other comments that have been made today, and it was sort of the nature of my question, wondering if these are serious issues that maybe would be best addressed through the Fair Trading Act, or whether it's a problem looking for a – you know, there's no problem, and there really isn't an answer there.

**Mrs. Dresen:** A solution looking for a problem.

**Mr. Smith:** Yeah. A solution looking for a problem.

I think you've given me an answer there that maybe we need to consider when we're looking further on down the line of the Fair Trading Act.

Thank you.

**The Chair:** Thank you.

Ms. Jansen.

**Ms Jansen:** Thank you very much, Chair. It's an interesting conversation. I think the whole public awareness piece is fascinating to me because, obviously, this is a conversation we need to have. I'm going to direct my first question to the folks from Fountain Tire. Full disclosure here: I've actually been using Fountain Tire Northland for the last four years. I'm incredibly impressed by the service I've gotten, that my family's gotten, so when I ask these questions – Mr. Hesje, I'm sure you don't know me, but I will say this: I consider your opinions to be very important and respected.

On the public awareness piece, where is it, do you think, that improvements can be made?

**Mr. Hesje:** I think a lot about: what do we all here want as an ultimate outcome? Because of changes in technology I think that if we're going to go after something, we have to go after the big issue for the big outcome, and it's: how do we make vehicles more roadworthy? I don't know that we get there by starting to cause

divisiveness between the consumer and the auto repair business. I think that both sides need to be highly engaged in this. Some of the changes to the bill to me imply lack of trust; the provider isn't worth trusting. I just don't think that gets to the right outcome.

I don't know how a bill can enable that public relations piece. I guess we think about it in our industry more than ever before when you start to think with excitement about this world moving to autonomous cars, or you have those moments when you awfulize and think: what will the world be like with autonomous cars? But the changes are undeniable, and I think roadworthiness and having vehicles safe on the road is really the big thing we have to be aspiring to.

I don't know if what I see before me – with respect I would say that it seems a little bit in the thick of thin things, about what we might have to be pursuing to make our province better and our country better by having a lot more safe vehicles on the road. Just a statistic, but right now vehicles out on the road in Canada, you could say that 45 per cent of them are up to snuff with the required maintenance that is outlined in that vehicle's owner manual. To me there's a real opportunity to go and do a noble thing to get vehicles roadworthy. There's lots of business there for all of us to do that, but we need to have an engaging atmosphere for the consumer to want to interact with the service provider.

**The Chair:** Thank you.

I'd just like to point out to those members on the phone that there's some background noise, so unless you're speaking, could you please have your phone muted.

Ms Jansen, did you have a follow-up?

**Ms Jansen:** Yeah, I'd like to follow up with Mr. Durand. I thought he made some interesting comments about vehicle safety and vehicles on the road that might not be safe, and when Mr. Hesje talked about the 45 per cent, that's a tough number to wrap your head around. Mr. Durand, can you give me a sense of: when you see vehicles come into your shop, how big a problem is that?

**Mr. Durand:** It's a very real problem. We live in a rural community where we see vehicles that are in the severe of severe categories. Canada alone is in the severe maintenance category, and we see the more severe of that. We drive on a lot of gravel roads and stuff like that. It is a very real thing. We're talking vehicles that are one and two years old, 50,000 kilometres on them, that need a lot of work. It's something that should be addressed as a mandatory inspection, a yearly mandatory inspection. This isn't a money grab. This is a safety issue.

**Ms Jansen:** Do you think that a yearly mandatory inspection will take care of the problems? Because that 45 per cent, I mean we're talking about – that's a lot of cars on the road that potentially could lose a tire that could bounce off into another vehicle on a freeway or God only knows the problems that you could have as a result of that. Is that enough?

**Mr. Durand:** I don't know if it's enough, but it's definitely an excellent start. If we can address a problem before it becomes a problem, that's going to save the consumer money and make the roads safer.

**The Chair:** Thank you, Mr. Durand.

Mr. LaRocque wanted to respond as well.

**Mr. LaRocque:** Thank you, Madam Chair. Ms Jansen, I think, to what Brent is saying, there may be two components to this. There are vehicles that are out there that have a lack of maintenance or a

lack of repair simply for keeping the value of a vehicle. There are other vehicles that are out there that maybe should not be on the road because of no repairs or safety repairs that had maybe been neglected or not been done properly. I think there's a definitive portion of what that 55 per cent might be.

Now, this may not be the time or forum for it, but it's something that has been talked about for other provinces, to have inspections for vehicles. Mr. Durand had talked about that. There is an opportunity for us as an industry and as a government to be able to initiate something that can help the industry make sure there are safer vehicles on the road.

**The Chair:** Thank you.

**Ms Jansen:** And in your view, the public awareness piece: do you have suggestions about how we might accomplish that, then?

**Mr. LaRocque:** I think that one of the things that's probably predominant for a lot of people is something called an out-of-province inspection. When a vehicle is moved into the province of Alberta, whether it's Ontario to Alberta, that sort of thing, there is an inspection process for that. For vehicles within Alberta, if it continues to be registered in Alberta, it will continue to not be inspected, if that kind of helps that line of questioning, Ms Jansen.

**The Chair:** Thank you.

Mr. Durand wanted to respond.

**Mr. Durand:** I'm not sure if I understood this correctly, but I think you're asking about the education?

**Ms Jansen:** Yes.

**Mr. Durand:** I believe that if AMVIC had done their job as well in the repair industry as they have in the sales industry, we might not have as many issues right now. Basically, they are an unknown to consumers. They need to step up to the plate and do their job. Every repair facility gets charged \$250 a year, for which they don't even send us a certificate anymore. We're supposed to print it off ourselves. In all their literature that they send out, there's very, very little to nothing on the automotive industry on the repair side.

**The Chair:** Thank you.

Is there anyone on the phones wishing to respond?

**Mrs. Kaltenbruner:** I was in a discussion with my service manager and my service writer last week about this very subject in that when interprovincial vehicles come into Alberta, they must pass a very comprehensive inspection process that makes sure that vehicle is actually safe and should be on the road. After that fact it is actually a period of 12 years before that vehicle has to be inspected for safety again, before that vehicle is required to pass an insurance inspection. Now, I don't know about you, but I certainly would feel much more confident knowing that the vehicles that are around me on the road were inspected and brought up to snuff within the last 12 years.

We've had vehicles come into our shop that are in abysmal condition, and those vehicles are still on the road, and there is no real mechanism for me to call anyone up and say: "Hey, get this piece of junk off the road. It shouldn't be on the road. Someone is going to die." I had a vehicle come in the other day. The neighbour had decided to play mechanic and fix this young woman's brakes. Well, he only fixed the brakes on one side. He had put a hundred per cent of the brake pad on one side and had nothing on the other side. Had she been in a panic situation and jammed on her brakes, can you imagine the contortions that would have taken with the

uneven application and the uneven braking? I mean, it's a recipe for disaster that vehicles do not get inspected.

I was driving on Deerfoot a couple of years ago with my husband, and there was a vehicle driving alongside of us at 120 kilometres an hour, in fact was passing us, and the rear wheels on that vehicle were literally bouncing six to eight inches off the road surface because the shocks were completely worn out. That vehicle has absolutely no stability, no control, and it's a death trap for the occupants as well as everyone around it.

1:55

Now, again, where is the inspection, and where is the safety for me against other drivers who do not have safe vehicles on the road? Where is the regulation that would say that 12 years is woefully inadequate to have a regular inspection process? Even for those 12-year vehicles, once they pass that inspection, it's only at the time that that individual changes their insurance after that or if there's an accident or an incident that would prompt the insurance company to call for an inspection again. I think that's an area of Alberta legislation and, I mean, safety protection for everyone. I'm not talking about consumer protection. I'm talking about the actual safety of everyone riding on our roads. That needs to be tightened up, and there needs to be some sort of – I don't know if it's on an annual basis or a semiannual basis but absolutely the basics have to be looked into because we are a recipe for disaster when it comes to seeing the types of vehicles that are operating on our roads today.

**The Chair:** Thank you.

The time allotted for this portion of the committee meeting has come to an end. I have two members on the list. Mr. Hinkley and Mrs. Aheer, I would ask that you read your questions into the record, and then the panel members can respond by way of writing. Go ahead.

**Mrs. Aheer:** Thank you. Actually, it was a bit more of a comment, so I'll just say it quickly. I'm a business owner. I have a couple of businesses as well. Everything is on social media. The consumer has the ability to state one way or the other how you're doing, and that news travels fast. I think that, in response to what Member Hinkley has said, you actually are being held accountable by the consumer in that way, in a massive way. There's a tremendous way – I think that if we're talking about the education component, if we can get AMVIC to work in a way that maybe is able to present these ideas through social media via your companies out to the public as part of the education process, that might be a suggestion as to how to move forward. We hear about everything in ours. That way there are no secrets.

Thank you.

**The Chair:** Thank you.

Mr. Hinkley.

**Mr. Hinkley:** Yeah. I'll change mine from a question to a comment as well. Just, again, thank you for coming and providing the insight on Bill 203. Really appreciate that.

**The Chair:** Thank you to our presenters for joining us here today and for responding to our committee's questions. If a question is outstanding or if you wish to provide additional information, please forward it through the committee clerk. Your time is very much appreciated. Thank you.

We will now take a break to get ready for our final presentation and will reconvene at about 2:10. Thank you.

[The committee adjourned from 1:58 p.m. to 2:09 p.m.]

**The Chair:** Thank you, everyone. We are back on the record.

I would like to note for the record that Mr. Carson made a presentation on Bill 203 to this committee at its September 19, 2016, meeting. Member Carson was invited to attend today to respond to questions from committee members following the conclusion of the stakeholder and public submission process which the committee undertook during its review of Bill 203.

I would like to welcome Member Carson to the meeting in his capacity as a sponsor of Bill 203. Member Carson, you have five minutes for your opening remarks, and I will then open the floor to questions from committee members. Go ahead.

**Mr. Carson:** Thank you very much, Madam Chair. First, I would like to thank the committee for providing me the opportunity to speak to my private member's bill as you continue your consultations and begin to deliberate on how to move forward. I would also like to thank all of the stakeholders that presented today and all of those who took the time to submit written submissions for the committee's consideration as well as all Albertans who took time out of their schedules to send their feedback to my office over the past nine months.

A bill of this nature, one that seeks to increase consumer protection for all Albertans in regard to motor vehicles, certainly requires consultation with industry experts and consumers, and it is important that we find the right balance for the benefit of consumers and industry alike. Having heard feedback presented to the committee in addition to the consultations that I have undertaken through my office, I am confident that Bill 203 will be strengthened by any amendments put forward and by the deliberations that are to follow to ensure Albertan motor vehicles are protected.

Given that vehicles present one of the largest investments Albertans make, I'm confident that everyone in this room agrees that Albertans deserve to have their motor vehicle investments protected, that Albertans should have the relevant information needed to make these informed decisions, and that proper systems are in place to address cases of disagreement between the consumer and repair facility.

Madam Chair, during my consultations I spoke with numerous mechanics, technicians, business owners, independent repair shops, industry stakeholders, consumer groups, and other interested parties, and I know that the majority of those working in the industry are honest, ethical, and have the best interests of Albertans at heart. The industry is filled with technical experts that provide services that all Albertans utilize, and it is important to recognize the strong relationship that many people have with their motor vehicle repair shops. After all, if a consumer has a bad experience, as we've heard throughout the presentations, they are unlikely to return to that facility.

I'm thankful for the feedback I have received during the initial consultations through my office as well as the thorough consultations that have been undertaken through this committee, which highlighted opportunities and, of course, challenges within Bill 203 with respect to industry implementation. I am certain that the deliberations that will take place in this committee will help to inform our decisions to make consumer protection legislation in our province stronger. Consumer protections are an important part of our job as legislators, and it is imperative that we make this piece of legislation as strong as possible to better protect Albertans while recognizing the complex nature of the industry and how updated legislation might affect it.

Many of today's presenters indicated that the automotive industry is sufficiently regulated given that AMVIC serves as a regulatory body, and I agree that AMVIC has an incredibly crucial role as a regulatory body in upholding Albertans' consumer rights.

Of course, my intent with Bill 203 is to further strengthen Albertans' current legislation and further increase consumer protections in the industry.

As we have heard today, many industry stakeholders believe in the spirit of Bill 203 but understandably have concerns about implementation and logistics. While many consumers that I've heard from through my office consultations feel consumer protection legislation like Bill 203 would give them better peace of mind at the repair shop, it is important to understand, as was mentioned through the presentations, that every Albertan has a different level of understanding about the industry and the current legislation that is in place today, and that has been reflected in the consultations that have happened through my office up to this point.

Albertans rely on the expert and trained professionals in the industry for these services but don't always know what to look for when assessing their experience with the shop. Given advancements in technology, I heard that understanding some of the work required is increasingly difficult for the average Albertan. Diagnostic work and the vehicles themselves have grown increasingly complex, and I believe our legislation should better address those realities. While the vast majority of repair businesses in Alberta are reputable and operate under the most ethical codes of conduct, these gaps in knowledge may leave consumers at a disadvantage or at least might be perceived that way.

Consumers have been clear up to this point, and media has captured some of the frustration felt by them. By addressing some of these concerns, Bill 203 seeks to establish a clear framework so consumers are assured that regardless of where they take their vehicle to be serviced, clear guidelines are in place that increase the peace of mind for consumers and businesses alike.

That said, I have heard the concerns of stakeholders who have a clear understanding of the scope of this bill, and I am open to amending sections of Bill 203 or working with the industry and this committee as a whole into the future to better protect consumers. For example, as addressed in my initial presentations and through stakeholder consultations, section 57.3, specifically subsection (2), deems a variety of activities to be part of an estimate. Section 57.3(3) prohibits charging for these activities. Of course, given that these may require diagnostic services which require labour and time, billable hours, stakeholders have recommended that we amend the bill by removing such sections.

Section 57.6, as addressed through the presentations, needs to be further examined to determine what is considered an acceptable authorization when authorization in writing is not possible. [A timer sounded]

2:15

**The Chair:** Go ahead.

**Mr. Carson:** Thank you. Section 57.11 in its entirety was a concern for the industry. Systems governing minimum warranties, of course, are complex, as I mentioned in my initial presentation, and this section has been discussed through both written and oral presentations as requiring amendments. Industry believes that it should be removed entirely.

Section 57.5(1), regarding exceeding estimates, would also benefit, as was mentioned, from continuing to have a \$100 maximum in place, as laid out in the original legislation, when having an estimate completed.

I'm also aware that greater clarity is needed around some of the language used within the bill; for example, clarifying who the repairer is.

By addressing these concerns and others that stakeholders have brought forward, I'm confident that Bill 203 will be strengthened,

industry concerns will be addressed, and a system will be in place that strengthens Albertans' consumer rights in legislation that is easier for the average person to understand.

Once again, I'm thankful for this opportunity to further discuss how we can strengthen this bill, and I appreciate all the time that Albertans have taken to share their experiences as well as all of the experts who have presented to this committee through written submissions and oral presentations. It is important that we create balanced legislation that protects consumers while respecting the realities of those that work in the industry, and I look forward to continuing discussions through this committee to ensure that we strike the right balance through Bill 203 and beyond.

Thank you.

**The Chair:** Thank you.

I will now open the floor to questions from committee members. I have Mr. Rodney.

**Mr. Rodney:** Thank you very much, Madam Chair. Folks, we've all been in the same room, and the evidence has been overwhelming. There was no support in this room from any of the stakeholders for this bill as it reads. We heard many things. I obviously can't take the time to repeat them, but one of the main points was that this is an issue one ten-thousandth of 1 per cent of the time. I've heard in the hallways that it's kind of like using an atomic bomb to kill a mosquito: a lot of unintended consequences.

Having been around these tables for just over a dozen years, I've seen so many things that are well intended that needed to be completely redrafted because they're impractical. So the wise, prudent, and fair thing, especially for Albertans out there, is to pull it, have proper consultation, and bring it back when everyone can agree that this is the best for all Albertans, not a partisan thing.

I heard three things: one is that this bill must be rescinded; the second thing is that AMVIC and Service Alberta work together on reopening the Fair Trading Act; and that there be an educational awareness campaign worked on by government and industry. Madam Chair, I move those three separately. If you want me to read them one at a time, I'm happy to.

**The Chair:** Thank you, Mr. Rodney. At this point we're at the panel stage. We could discuss your motions at a later point in the agenda, but for now we're asking questions of Member Carson.

**Mr. Rodney:** Happy to. Can you tell us exactly where in the agenda we'll be taking a vote on that?

**The Chair:** Under the next section of the agenda, which would be Next Steps, right after Crossjurisdictional Comparison.

**Mr. Rodney:** Very good. I just wanted to get that on the record. I appreciate that. I think we're all in this for consumer interest, and we share the intention. It's simply a matter of the process.

Part of my heart feels for Jon Carson today because private members' business is tough, right? Often things that are really well intended get muddled, especially when they get out into the public realm. You know, a person's reputation is on the line. I respect that, but let's just do the right thing. If the right thing is to pull something back and get organized and bring it back in a better form, then it's really okay to say: we've got to rejig this before it's ready for prime time.

That's all. Thanks.

**The Chair:** Thank you.

Next I have Mr. Shepherd.

**Mr. Shepherd:** Thank you, Chair. Thank you, Mr. Carson. I appreciate your overview of the process here. To follow on what Mr. Rodney was saying, indeed, this can be challenging and difficult work. I just want to say, Mr. Carson, that I really appreciate how you've stepped up during this process, you know. It could be very easy to simply abandon what is, with what we've heard from pretty much all our presenters today, a good idea in the intent to represent better consumer protections for Albertans. I appreciate that you've stuck to it through this process, that you've been meeting with stakeholders, that you've been willing to hear from folks, and, in fact, that you have been here with the committee all day today and on previous occasions to hear feedback and continue to work through this idea. So I thank you for that.

I just wanted to clarify, then, a bit for the record in terms of the industry and stakeholder feedback. We've heard some of that here today. Can you give us again just a bit of an idea of the folks that you've been meeting with over the last little while and sort of the direction that you're hearing that they would like this to go?

**Mr. Carson:** Thank you, Member. I have indeed had over the last nine months an opportunity to sit down with many of the stakeholders that are here today and that have submitted written submissions. I'm not necessarily going to name them all, but I did have a chance during my initial presentation to go through a list that was about two pages long. That's on the record. I don't have it with me today. They all had sent submissions through my office, through the online survey that I had open during the initial stages of the bill. Of course, through those conversations they addressed their concerns early in the process, and I was very clear and frank with them that it was important that I continue to consult with them. I told them that if there were issues that arose – and, of course, they did – in terms of some of the specific sections within the legislation, I would be willing to continue working with them to ensure that those amendments are made before the bill moves forward.

Of course, now we're at the committee stage, where we've had an opportunity to consult more with consumers and with stakeholders. It's quite apparent that there is quite an agreement on what needs to be changed. I think it's important that during the deliberations, no matter how we move forward, we recognize those and in the future use those deliberations to better inform the legislation that we create past that point.

Thank you.

**Mr. Shepherd:** Thank you.

**The Chair:** Thank you.

A follow-up, Mr. Shepherd?

**Mr. Shepherd:** No, thanks.

**Mr. Yao:** Member Carson, I'm greatly concerned by the fact that you made the comment that with some tweaking of amendments, we could strengthen this bill. I would argue that there are no amendments that can be made to strengthen this bill because, as you've confirmed, there are other organizations and systems in place that already address all the issues that we have discussed today. A lot of the consultations we've done with professional organizations have demonstrated that they have stated quite clearly that this is repetition. This is more bureaucracy. If anything, they just need to work on their communication to ensure that people understand the venues that are available to them.

You talked about that this is good consulting, that the need to consult for such a bill is a very strong endeavour. I would question how much consulting you did when you were developing the bill and put it to the House. I couldn't help but notice how one of the

members on the other side, Mr. Hinkley, was really questioning Jiffy Lube representatives on how much consultation they did and that they only got 40 per cent of the Jiffy Lubes to respond to them. The rest, I'm assuming, were working very hard because they've got carbon taxes and everything before them now.

With all the consultation that we've done here over this summer, is there any way that you would look at it and consider that maybe you should look at the existing legislation and systems and just simply hone those and tweak those, perhaps, and refine those as opposed to putting in an entirely new bill that adds parallel legislation to existing systems? Those are my questions to you, sir.

**The Chair:** Thank you.

**Mr. Carson:** Thank you very much for the question, Member. I think there is potentially a case to be made that it would be nice to see regulations or legislation in place to address the specific industries. Of course, that wasn't something that was asked of the stakeholders, so that's a conversation that could be had in the future.

With that being said, at the end of the day, it's really up to the committee, how you move forward, and I respectfully will accept the recommendations put forward by this committee. I think that at the end of the day, it's been a great opportunity for us to have this conversation and find out whether things in the bill or other discussions that we've heard today through presentations are able to help the industry in terms of educating consumers, which has become a very important point, that we've heard over and over again. Of course, it's been a learning experience for myself and, I think, for all members of this committee, and I think that with this information that we have taken, we will be able to go back to our constituents and be better informed about their concerns that arise.

2:25

I know that members opposite have said that they haven't heard anything from any consumers, but I can tell you as the member who presented this bill that I have had consumers come through my office. Of course, some of them don't agree. Some of them understand the legislation better than others, as I mentioned, but there are people out there that do believe that the sector could be strengthened in terms of consumer protections. Whether that is within the scope of my bill or not is another question, but those concerns have come forward.

Once again, I have the utmost respect for the people in the industry. I have a great working relationship with my repair shop. Of course, I wouldn't be able to be on the roads without them. I think that we can all appreciate that. At the end of the day, it's just about informing the consumer and ensuring that they have what they need to come to an agreement with the shop itself.

Thank you.

**The Chair:** Mr. Yao, you had a follow-up?

**Mr. Yao:** Yeah. Again, you talked about the consulting that you've done. In the same way that you were asking some of our speakers today about some of the quality of their investigations, I'd ask the same of you. Like, the people that you talked to: did you inform them of the current measures, that are in place, about AMVIC, and explain to them all the different processes that they have available to them, or were they ignorant of that? Certainly, when I read through a lot of that feedback, I would question whether they even know that there are systems in place, that they even exist. Very few of them actually referred to the current laws, that are in place. That would be my question. Were they informed, were they educated, and were they aware?

**Mr. Carson:** Fair enough. Thank you for the question. I would just state that I had no concern about the stakeholder surveys that were put out by industry, so that's not a question that I have personally as a private member.

In terms of the consultations that I've done, I'm sure that we can always do a better job of consulting. As I mentioned in my first presentation, the bulk of my consultation did happen after it had been introduced in the Legislature, and of course that's where a lot of the concerns came up around specific pieces of the legislation. In terms of the consumers, I mean, we broke it down in the survey, each piece, each section, but in terms of their initial understanding of the legislation, I couldn't really comment on that.

**The Chair:** Thank you.

Mrs. Aheer.

**Mrs. Aheer:** Thank you, Chair. I just wanted to thank MLA Carson for bringing this forward. One of the things that I think was very interesting today and one thing that was said over and over is that the discussion obviously needed to be started. That's the silver lining that's come from this.

My concern is that when you are bringing forward information, the language that we use in these bills is imperative to making sure that the legislation that we bring forward is indeed going to do what it set out to do. One of the concerns is that when you use language such as "predatory" or anything like that, it puts a black stain on an industry that employs – and correct me if I'm wrong – in excess of 55,000 people in this province.

My question is based on what we heard today. Again, with all respect, there was much information brought forward about how important this discussion is, that the system is broken. There are things that need to happen, but I don't know if this bill in its entirety, the way it is right now, written as it is, actually gets to the guts of the problems that you're actually trying to bring forward, which are very reasonable. I want to ask you a question. Do you really think that Bill 203 in its form right now, even with great amendments to strengthen it, will actually bring forward what you had intended to have happen and still be able to have the industry represented the way the industry deserves to be represented and also still be able to bring forward legislation that's going to help consumers?

**Mr. Carson:** Thank you very much for the question, Member. First off, I would just like to say that through this whole experience – of course, it's a delicate balance when you're having discussions about consumers and the businesses and the relationship that they have. I've tried very hard not to raise any concerns about the relationship, and you mentioned predatory language, so I've done my best to try to avoid that. Once again, I would say that the majority of Albertans have a good relationship with these facilities, and I myself, personally, have never had an issue like some of the things that have come up through my consultations with consumers.

In terms of moving forward, once again I would say that it is the will of the committee and that I would agree with the decision that you make. Of course, the deliberations will inform the decision in terms of potential amendments, but I would just say once again that I would not move forward with this bill in the state that it is right now. I could see a way forward with amendments. Of course, there were quite a few that were brought up. With that being said, it would take some time. Yeah, it would take some time. I don't necessarily know that we have the time in this committee to do that, but I think that the discussions that we've had are very important for when we do revisit the matter, for sure.

**The Chair:** Thank you.

Mr. Shepherd.

**Mr. Shepherd:** Thank you, Chair. Mr. Carson, again, you mentioned that you had a number of consumers that reached out to you to sort of express their concerns and their thoughts on the legislation. You know, one of the conversations we've had today has been largely around that educational piece, recognizing that consumers may not have all the information about what's currently available to them, and we've had some conversation about: what's the best way to try to address that? Based on, I guess, what you've heard from people about their concerns and the sorts of protections they're looking for, do you have any thoughts on what the best approach might be, then, to try to offer some of that education and information?

**Mr. Carson:** Thank you, Member, for the question. I think that, at the end of the day, we've heard a lot of great suggestions from the panel members that we've had today as well as through written submissions. We've heard some agreement in terms of the signs posted that was laid out within the bill, of course ensuring that the regulations to follow work with the industry to ensure that there aren't heavy costs on these facilities as well as ensuring a level of uniformity across the industry in terms of the information that is laid out and also ensuring that we're not giving information that isn't necessarily relevant to the consumers themselves. I've heard, personally, through my consultations that if you go into talking about billable hours and things of that sort, that might just confuse the consumer.

I think that when we look at documents like AMVIC brochures or having signs posted, it's important that we continue that conversation as well. I think that that could be to the benefit of consumers, and I think that's a major take-away from this piece of legislation. I think that AMVIC as a whole is an interesting conversation that we need to continue having in terms of the education that they can provide, yeah.

**Mr. Shepherd:** Thank you. I appreciate that additional insight.

What I'm hearing, then, is that it sounds like there's a lot of opportunity for us to continue to have, I guess, some collaboration with industry in trying to address some of these concerns and help move forward that education piece.

**Mr. Carson:** Most definitely. As I mentioned earlier, it's been a good experience for all of us on this committee, I believe, and consumers throughout the province, not only in my constituency, whom I've had the opportunity to talk with. At the end of the day, consumers do want to know that they have all the information relevant, and for the most part it is out there. Sometimes it's just a matter of finding it. I think that we can all work together, and those conversations, most definitely, will continue to happen, whether through this committee or through consultations put on by my office or any other person that's interested in being involved as well.

I think that it's important now that we continue the conversation, especially, as I mentioned in my presentation, with changing complexities within the industry, with diagnostic tools not only being expensive but taking longer to find problems within vehicles. That's a conversation, and, as was mentioned, the Fair Trading Act will be open in the future here, so it's important – these conversations today will be invaluable to that discussion, I believe.

**The Chair:** Thank you.

Mr. Smith.

**Mr. Smith:** Thank you, Madam Chair. Thank you, Member Carson, for being here today. I really appreciate the fact that we have the chance to ask some questions and to continue to move

along through this process, and I guess that's the question that I've got for you right now. Based on what I'm hearing from your conversation, your speech to us here just a few minutes ago, you seem to believe that we should look for ways to amend this bill and to have it continue forward, and you've obviously made some suggestions, that you passed on to us already, about some of the sections in the bill that should be considered for amendment.

2:35

Yet I can't help but think of the things that I've heard from the stakeholders that have been before us today. I mean, they were pretty clear. Many of them just said very bluntly that you can't fix this bill and that the amendments just aren't going to allow us to be able – I mean, the unintended consequences, as well as they were intended, are just going to be so great and so sufficient that it's going to be impossible to fix this bill. Some have even gone on, you know, to say – we've had that conversation several times today – that this is a solution looking for a problem. I mean, there seems to be that level of real problem with this bill.

My question for you, I guess, is pretty clear. As a committee we have to make a decision, don't we? We have to have a conversation about whether we move forward on this bill and whether we try to amend it. I guess the question I've got for you right now is: as a valuable member of this Assembly why do you believe that this committee should ignore the experts and proceed with this bill?

**Mr. Carson:** Thank you very much for the question, and it's definitely an important question. At the end of the day, as I said before, it is the committee's final decision, and I will agree with whatever decision is made. As I stated a few questions ago, it would take some time to get this piece of legislation to a point where I think industry would be happy with moving forward. I think that kind of answers the question, hopefully, but I will agree with whatever decision you move forward with. Like I said, I'm happy to work to ensure that when reassessed, the Fair Trading Act will be informed by this extensive consultation, to be quite frank, through this committee.

Of course, there's never enough consultation. I could say that from the amount of – you know, every couple of days I go out door-knocking throughout my constituency. It's never enough to be a hundred per cent accurate, but I think that this consultation has gone a long way to express the concerns of the industry. I think that it's important that we heed those recommendations and move forward.

**Mr. Smith:** Okay.

**Dr. Swann:** It's David Swann from Calgary.

**The Chair:** Dr. Swann, I'll put you on the list.

**Dr. Swann:** Thank you.

**Mr. Smith:** Just as a follow-up, I have no doubt – we have heard from the stakeholders. I guess the nature of my question was not that – yes, I know we're going to move forward as a committee and that we're going to discuss and that we're going to try to decide whether we should move forward. My question was: after having heard what I've heard today, why would I choose to move forward when I hear – I mean, I'm not an expert in this industry. They are. That's why we bring them to this committee. You listen, and I've got – I don't know – eight, 10 pages' worth of notes here. I can't see in here anybody that's supporting the idea of moving forward, so I'm asking: what is it that would lead me to change my mind, move away from what the experts have said, and say, "Yeah, there's enough merit in this thing to be able to move forward on it"?

**Mr. Carson:** Once again, consultation is very important, and I think that with enough consultation we would be able to move forward in some way or another with something like Bill 203. Once again, that is a time commitment. At the end of the day, I am happy to accept the recommendation if this committee does not decide to move into second reading, and I will put that on the record if that's what you were looking for.

**Mr. Smith:** No. I was wanting to hear – you're the author of the bill. You have your heart and soul invested in this. I know I had mine invested in recall, that never got to this point. Fair enough. You know, if I'd had the opportunity to come to committee and to try to put forward the arguments for why we needed to have recall in this province and how that would make us more democratic, I would have been able to talk for seven or eight or nine or 10 hours or as long as the committee would let me speak as to why I think that this would have been a really good benefit to the people of Alberta. I'm grasping at straws here, just wanting to see, after having listened to what the experts have said today, why I should move forward with some sort of support. I'm asking for that.

Thank you for your indulgence, Madam Chair.

**The Chair:** Okay. Thank you.

Ms Jansen.

**Ms Jansen:** Thank you. I want to thank Member Carson not only for all the hard work he did but, frankly, in my opinion, for exhibiting such grace when some of the questions I feel were not exactly framed in the nicest way. I say that because to question whether consultation had happened when it was clearly laid out, you know, I don't think is fair ball. So I would say, first of all, thank you for your grace under pressure.

I think that on the question of ignoring the experts, I was taking notes this morning myself as well, and I clearly heard the AMA say – and this is an organization that is coming up on 90-plus years of serving motorists in this province, and I would dare to say that the AMA would concur that they get a massive amount of feedback from the public on issues surrounding motor vehicles – that they did not support the idea of throwing the bill out. They certainly supported the idea of having more discussion and more consultation and perhaps input on amendments. So I would say to that that I certainly heard from the AMA – and I would consider them to be experts – that not only did they enjoy the conversation, not only were they interested in further consultation but that they certainly had a lot of respect for the work you did. So, MLA Carson, I commend you for that and for your grace under some folks' questioning that, frankly, does not honour the hard work you do.

Now, having said that, in all the feedback that you heard today, is there a common thread that you take away from this that you want to delve into further?

**Mr. Carson:** Most definitely. At the end of the day, I mean, I heard a few things brought up which we can potentially go over at a later date, but I think the most important take-away from this – and, I mean, it came up from the very beginning – is the need to continue educating consumers about their rights and responsibilities as a consumer when entering a motor vehicle repair facility. At the end of day, I think that is a major take-away from this, whether it be through signs posted as listed in Bill 203 or other forms in terms of opportunities for AMVIC to educate. I know we heard about town halls that will be happening in the near future. I think that's an important take-away.

Once again, as I said, at the end of the day, we've all had this opportunity to come together and look at one piece of the Fair Trading Act. It's an important conversation that will be coming

forward in the coming years, and it's important, once again, that we as legislators take the responsibility of protecting consumers very seriously. Whether Bill 203 moves forward or not, I think that this was not all for nothing, and I don't necessarily think that we need to throw away the baby with the bathwater, as the saying goes.

I think, once again, that I appreciate all the feedback that we've received from the members of this committee. I appreciate you all taking the time to come and sit and talk about Bill 203. I also appreciate, most definitely, the feedback from the experts from the very beginning. I appreciate you taking the time today to come and sit with us and the time that you've taken throughout the last nine months to better explain and educate us legislators about the industry itself. I would just say that I appreciate that very much.

Thank you.

**The Chair:** Thank you.

I would just like to note that we are now over the allotted time for this point of the committee meeting. However, I do have two more speakers on the list. I would ask that you read your questions into the record. We'll start with Dr. Swann, and then Mrs. Aheer.

**Dr. Swann:** Thanks very much. I just wanted to add my congratulations and respect for the member bringing this forward. I certainly learned a lot about this whole area and have, like everyone, a vested interest in getting this right from both the consumer and the industry points of view.

I think I missed something. I was pulled away for a short time, but I'm unclear about what act is going to be reviewed in the next one to two years, at which time there was a suggestion that there would be more consultations and a more comprehensive look. Could someone just tell me which act that was referring to?

2:45

**The Chair:** Go ahead, Mr. Carson.

**Mr. Carson:** Oh, sure. I believe that the act, the Fair Trading Act, came up a few times throughout the consultation. Reviewing that through Service Alberta was something that came up through our discussions with stakeholders and this committee.

Thanks.

**The Chair:** Thank you.

Mrs. Aheer.

**Mrs. Aheer:** Thank you very much. My questions for MLA Carson were just around: between the regulator and the actual companies one of the main things we heard over and over again was about enforceability. I really think that this is another reason to really look deep into this legislation. We all – all – appreciate the work that you've done on this, MLA Carson. Like I said before and like we've all said repeatedly, it's a ton of work, and we do appreciate it.

However, with any amount of work, the amount of information coming forward in order to actually bring forward the ideas that you want and the intent of the bill are two completely different things. That bit on enforceability, which was brought up by AMVIC and also by the companies, is a major, major – I think it could be a very serious situation if not clarified and expressly understood within this legislation. I have a feeling that that's not something that can be put into this legislation in a way that is going to connect the dots the way that, it seems to me, industry and AMVIC need to connect those dots.

Thank you.

**The Chair:** Thank you.

Thank you, Mr. Carson, for attending today and responding to the committee's questions. If a question is outstanding or if you



wish to provide additional information, please forward it through the committee clerk within the next two weeks.

Members, this concludes today's schedule for oral presentations. We will now continue with the balance of our meeting agenda. Point 5, research requirements and next steps, crossjurisdictional comparison: members should have copies of the crossjurisdictional comparison report as well as the addendum document.

I will turn it over to Ms Robert from research services to speak to this item.

**Ms Robert:** Thank you, Madam Chair. Yes. I will just give you a brief presentation on two documents that would have been posted to the internal committee website last week. One is a crossjurisdictional comparison with respect to the proposed provisions in Bill 203, which was requested of research services by the committee. We also prepared an additional document for the purpose of ease of reference more than anything. It's an addendum that contains the provisions, sort of in a side-by-side manner, from Bill 203 and from the other jurisdictions that contain similar legislation just so committee members can have it sort of all in front of them at the same time.

The crossjurisdictional comparison. Three other provincial jurisdictions contain legislation that is similar to the provisions proposed in Bill 203. Those jurisdictions are Manitoba, Ontario, and Quebec, and their respective consumer protection legislation is the legislation that contains the provisions. The comparison is separated into nine different sections: estimates, authorizations, invoices, all the different subjects that are covered in the bill.

A lot of the provisions in Bill 203 are mirrored in the other three jurisdictions. For instance, estimates, estimate fees, exceeding estimates, authorizations, invoices: all of those things are dealt with in the three acts that were reviewed. But there are also some differences. For instance, a provision which is in Bill 203 with respect to keeping records is only also found in Manitoba's legislation. It's not found in the other two. With respect to warranties, that repairers and subcontractors are jointly and severally liable for any work that's done appears in Bill 203 and in Manitoba, but it does not appear in Ontario. In fact, in Quebec there's a provision that says that regardless of whether a subcontractor does the work, the main repairer is responsible.

The only other thing I'll point out is that in Ontario alone there's a provision that expressly provides that a repairer cannot charge a higher price merely because a repair is being done as an insurance claim. That's a difference that's not found in other legislation or in Bill 203.

That's all I really have to say, but I'd be happy to answer any questions that anybody might have. Thanks.

**The Chair:** Thank you.

Any members with any questions? Ms Miller.

**Ms Miller:** Yes. First, I'd like to thank the LAO for the report. It was very educational. On page 3, under the current legislation section it's noted that "the current Fair Trading Act does not specifically address fair trading with respect to motor vehicle repairs" and focuses more on unfair practices involving consumer transactions. Can you elaborate on this point and how it compares to other jurisdictions?

**Ms Robert:** Thank you. Basically, what I was just trying to point out was that although the Fair Trading Act in Alberta does not currently expressly provide for automotive repairs, it does generally provide for unfair practices, and there are regulations under it that relate to automotive repairs. Now, because in the jurisdictions that I looked at, their consumer protection legislation does relate

expressly to automotive repairs, that is what I focused on. I didn't examine whether other jurisdictions have general unfair practices legislation. Is that what you were after?

**Ms Miller:** Yes. Thank you.

**The Chair:** Any other questions for research?

**Ms Miller:** Okay. The research report indicated that only Manitoba, Ontario, and Quebec have similar legislation. Can you briefly discuss the type of consumer protection legislation that's in place, if any, in other jurisdictions? For example, as the crossjurisdictional report indicated, the FTA doesn't specifically provide protection in relation to motor vehicles but can be applied to these cases. Does similar legislation exist elsewhere?

**The Chair:** Go ahead.

**Ms Robert:** Thank you, Madam Chair. I did not examine that. I only looked for legislation that expressly provided provisions with respect to automotive repair. When I found that a jurisdiction did not do that, I didn't further investigate to see if they had general unfair practice legislation. I would assume that they would, but I didn't examine that as part of this exercise.

**Ms Miller:** Okay. Thank you.

**The Chair:** Any members on the phone wishing to ask questions of research?

Any other members wanting to ask questions?

Seeing and hearing none, I'd like to thank you for your presentation.

Next steps, part (b). Members, the committee has now completed the consultation process with respect to its review of Bill 203, Fair Trading (Motor Vehicle Repair Pricing Protection for Consumers) Amendment Act, 2016, which was referred to the committee after first reading. The next step in the process is to consider our report to the Assembly. I would like to note that this is the first bill to be referred after first reading to a legislative committee during the 29th Legislature.

Standing Order 74.2 governs proceedings on bills referred to a committee after first reading. If a committee recommends that a bill not proceed and the report is concurred in, then the bill doesn't proceed any further. Standing Order 74.2(2) states that if the Assembly concurs in a committee report that a bill be proceeded with, then the bill is placed on the Order Paper for second reading. As discussed at the outset of this review, in accordance with Standing Order 74.2(1) the committee is charged with reporting "its observations, opinions and recommendations with respect to the Bill to the Assembly."

We have Dr. Massolin as well as Mr. Koenig in attendance. Do either of you have anything that you would like to add?

**Mr. Koenig:** Thank you, Madam Chair. I'm happy to provide some general comments, and if there are questions or further details required by members, I'm happy to provide more comments. Just to underline what the chair has pointed you all to, 74.2, basically the question before the committee now is whether to recommend that this bill proceed or that it not proceed, whether it's returned to the Order Paper and continues on through the process or whether that's not to happen.

Now, the other thing I will mention at this point is that this bill has received first reading, but it has not received second reading. The second reading stage is to discuss the generalized objectives or goals of the bill as opposed to, like, technical, substantive

amendments, which would happen normally at the Committee of the Whole stage. In terms of the recommendations as a committee, in addition to recommending whether the bill proceed or not, other generalized recommendations dealing with the underlying purpose or objectives of the act would be brought up now. But in terms of substantive amendments, those would occur, of course, if it went back on the Order Paper. Those would be dealt with in Committee of the Whole.

2:55

**The Chair:** Thank you.  
Dr. Massolin.

**Dr. Massolin:** No. Nothing to add at this time. Thanks. It was well explained.

**The Chair:** Thank you.  
Any members have any questions?

**Mr. Rodney:** I'm simply anxiously awaiting the opportunity to make the motions I mentioned earlier. When is that time? Is it now?

**The Chair:** I guess the question that we have for the committee is: are we ready to make recommendations now, or would we like to defer to a later date? I would ask all those in favour of making the deliberation now to please say aye. No, no. Sorry. Just discuss.  
Go ahead, Mr. Rodney.

**Mr. Rodney:** I see every reason to vote on that now, and I don't see any reason not to.

**The Chair:** Thank you.  
Any other members wishing to comment?

**Mr. Shepherd:** You know, Chair, I think we've heard some great feedback. We've heard some great suggestions. I think we've got all the material we need to be able to have a discussion about a next move.

**The Chair:** Sorry. What was the last piece?

**Mr. Shepherd:** I believe we have all the information we need to be able to have a discussion about our next move.

**The Chair:** It sounds like it's the will of the committee to decide on how we proceed with this bill. So all those . . .

**Dr. Massolin:** It's just general agreement. You don't need to vote on it.

**The Chair:** No vote?

**Dr. Massolin:** Just make sure there's general agreement that you want to do that right now.

**The Chair:** Is there general agreement that we would like to proceed right now? Any opposed? None opposed.  
Mr. Rodney.

**Mr. Rodney:** Thank you very much. I have three motions. I'm happy – in fact, I would prefer them to be . . .

**The Chair:** One at a time, please.

**Mr. Rodney:** That's my preference.

**The Chair:** Do you have them in writing for us?

**Mr. Rodney:** I could hand this to you.

**The Chair:** That would be wonderful.

**Mr. Rodney:** It's in Latin. I hope you can read it. If we've lost our sense of humour, what's left, right? Hopefully, our reputations.

Motion 1: I move that the committee recommend Bill 203 not proceed.

**The Chair:** Thank you.  
Any discussion? On the phones?

**Mr. Shepherd:** I'm generally in agreement with the motion. I might want to put forward an amendment to the wording. I'm sorry. Could you just repeat what the current wording of the motion is?

**Mr. Rodney:** Happy to. I move that the committee recommend Bill 203 not proceed.

**Mr. Shepherd:** Thank you, Mr. Rodney.  
Yeah. I would suggest that we look at amending it slightly: that Bill 203 not be recommended for second reading in its current form.

**The Chair:** Would you like to comment?

**Mr. Shepherd:** Certainly. I think it just clarifies sort of where we're at in the legislative process, recognizing that – sorry?

**The Chair:** Mr. Koenig would like to . . .

**Mr. Shepherd:** Oh, Mr. Koenig. Absolutely. I apologize. I defer to the expertise.

**The Chair:** Sorry. I was vague.

**Mr. Koenig:** I would just, I guess, offer some fairly general comments. If the recommendation by the committee at this point is that the bill not be recommended to proceed, that would be for second reading because that's the stage that it's at right now. In terms of substantive differences, I don't know that there is much between the original motion and the proposed amendment.

**The Chair:** Go ahead, Mr. Shepherd.

**Mr. Shepherd:** Thank you. If that's the case, Chair, then I withdraw my amendment. I'm happy to proceed with the motion as written.

**The Chair:** Thank you.  
Any discussion? Mr. Shepherd, then Mr. Rodney.

**Mr. Shepherd:** Thank you, Chair. You know what? As I said, I think we've had some really good feedback today. I've been really, actually enjoying the opportunity I've had as a member over the last couple of weeks, you know, with a couple of different meetings that we've had with various committees and these opportunities for engagement with external stakeholders and having these oral presentations and the opportunity for these questions and dialogue in the room. I think it represents the best of what we hope for in our democracy.

From what I've heard today, largely what I'm hearing from our stakeholders is that, yes, there are significant changes that might be made to this bill before it could move forward and proceed. We've certainly heard, I think, some excellent suggestions here. I think Mr. Carson has worked very hard to try to get to the bottom of some of the issues that have been presented. We've heard some very good discussion. We've got some good directions that we can explore,

but at this point the bill is not ready to proceed to second reading. So I support the motion and appreciate the process that's brought us here.

**The Chair:** Thank you.

**Mr. Rodney:** Actually, I'll save my comments for the other two motions. Trust me; they're short.

**The Chair:** Thank you.  
Mrs. Aheer.

**Mrs. Aheer:** Thank you. I would like to suggest that based on what we've heard today, I think it's very important. We're all talking about consultation and stakeholder outreach, and I think there's been a fairly consistent move towards looking at this piece of legislation in its entirety again from the beginning. Like I said to you before, MLA Carson, the work that you've brought forward will initiate probably some excellent legislation coming forward. But I have to say that at this point in time, given that we're listening to what these stakeholders and these people who have spent their day here with us are telling us, I'd have to agree with MLA Rodney on his motion.

Thank you.

**The Chair:** Thank you.

**Mr. Smith:** I would reiterate that. I think that for a lot of us MLAs that are here for our first time, we're still learning how this process works and the value of these processes. I, too, would say thank you very much. I think the intent was laudable, and I think that all of us have had the opportunity – maybe not you old vets sitting over there, but most of us that are here for the first time have really appreciated the opportunity to work through the process. I think that we can see that the stakeholders that have come to us today have serious concerns. I think that it's a testament to the value of our democracy and to the processes that we have set up that we can deliberate and we can come to a conclusion that perhaps this bill needs a little more work. So I would support the motion.

**The Chair:** Thank you.  
Mr. Yao.

**Mr. Yao:** Yes. I just want to say that I do support the motion as well. I should clarify, Mr. Carson, that your intent was good and honourable. I don't think you meant to be malicious in any way towards any of the industries here, and your hard work is appreciated.

Thank you very much.

**The Chair:** Any members on the phone wishing to make any comments or questions?

**Dr. Swann:** I'll add my congratulations from Calgary-Mountain View for a very effective process, comprehensive and lots of learning. I guess one of the take-aways that seemed relevant to this particular bill and should be captured is the need to review the whole question of vehicle inspection and vehicle safety under a different format, a different process perhaps.

**The Chair:** Thank you very much, Dr. Swann.  
Any other questions or comments?

Hearing none, I will call the question on the motion proposed by Mr. Rodney.

**Mrs. Sawchuk:** Do you want me to read it?

**The Chair:** Please.

**Mrs. Sawchuk:** Thank you, Madam Chair. Moved by Mr. Rodney that  
the Standing Committee on Families and Communities  
recommend that Bill 203 not proceed.

**The Chair:** All those in favour, please say aye. On the phones? Any opposed? Seeing none, that motion is carried.

Mr. Rodney.

**Mr. Rodney:** Thank you so much. Again, I'll be quick. I move that Service Alberta engage AMVIC and other stakeholders as they reopen the Fair Trading Act.

**The Chair:** Could you repeat that one more time, please?

**Mr. Rodney:** Say it again? I move that this committee recommend Service Alberta – right? I mean, we're making recommendations presumably. We're on the same page, right? I move that this committee recommend Service Alberta engage AMVIC and other stakeholders – are we okay so far? – as they reopen the Fair Trading Act.

If Parliamentary Counsel has any suggestions, I'm happy to entertain them.

3:05

**Mr. Koenig:** I might just ask for a small point of clarification in terms of the word "reopen." Review of the legislation for possible amendment: is that ...

**Mr. Rodney:** That was a test, and you passed. Sincerely, I was looking for your feedback on that word, and I got it. I appreciate that. We want to get this right.

**The Chair:** We'll have it read again.

**Mr. Rodney:** Is this the time to make further comment or not?

**The Chair:** We're just going to read it again.

**Mrs. Sawchuk:** Moved by Mr. Rodney that  
the Standing Committee on Families and Communities  
recommend that Service Alberta engage AMVIC and other  
stakeholders as they review the Fair Trading Act for possible  
amendments.

Does that sound right?

**Mr. Rodney:** Sure.

**The Chair:** Okay. Any discussion?

**Mr. Rodney:** Perhaps it's overused and sometimes ill advised to say "nonpartisan." The fact of the matter is that we care about consumer protection, and when I say "we," I mean all of us, all of us around the table and MLA Carson, who brought this forward in the first place. I do. I think everyone around the table, everyone who's present with us here today who has been at the table, all the people that represent far beyond these walls, all those in the industry, and everyone who utilizes the services of the industry do. The intention that MLA Carson had was very good. It was about consumer protection. But as we've seen and heard from all the witnesses here today and experts – let's work together. Let's do this proactively. As we go forward, let's do it right. Let's be open, honest, transparent, glean from the experience and expertise of all sorts of stakeholders, and do what's best for Albertans. That's all this is about. I would hope this is far beyond any party politics.

**The Chair:** Thank you.

Any other members wishing to comment? Mr. Shepherd.

**Mr. Shepherd:** Thank you, Chair. Once again, yeah, I'm happy to support the motion from Mr. Rodney. I think, certainly, with any moves that are made to make amendments to the Fair Trading Act, we've certainly seen the value of reaching out to stakeholders to have these additional conversations to get their views and their opinions. I think we've certainly seen how that improved the conversation for Mr. Carson in the work that he's done in reaching out for additional consultation after introducing the bill. So I can see no reason why we wouldn't want to go ahead and make this recommendation.

Thank you.

**The Chair:** Thank you.

Any other members wishing to comment? On the phones?

Hearing none, I would call the question that we review the motion proposed by Mr. Rodney.

**Mrs. Sawchuk:** Do you want me to read it again?

**The Chair:** Please.

**Mrs. Sawchuk:** Okay, Madam Chair. Moved by Mr. Rodney that the Standing Committee on Families and Communities recommend that Service Alberta engage AMVIC and other stakeholders as they review the Fair Trading Act for possible amendments.

**Mr. Koenig:** I might just offer one more quick point of clarification. Depending on what the committee's will is on this question, it may be useful to amend the words "as they" to make it clear that the recommendation is that the legislation be reviewed. So the recommendation is to review, not assuming that the review will happen. "As they" is sort of assumptive. Just to ensure that the committee's will on this matter is very clear, it may be worth while to make that small tweak, so the motion would be to review the legislation. Would that reflect the intention of the original motion?

**Mr. Rodney:** Not necessarily. I will not stick a wrench in anything here, but it's up to the government if they do and when they do, and that's kind of my point. If they decide to, then at that point I would hope that they would utilize proper consultation. So I'm not telling them that they must. What I'm suggesting is that if and when they do, at that point the consultations occur. Those are two different questions, right?

**The Chair:** Thank you.

**Mr. Shepherd:** Well, along those lines, with Mr. Rodney indicating that it's not his intent to instruct Service Alberta that they should or must, perhaps a friendly amendment, then, to the language to say that should they review the Fair Trading Act, we would recommend that they reach out to these stakeholders.

**The Chair:** We just need a second, please.  
Go ahead.

**Mrs. Sawchuk:** Thank you, Madam Chair. The suggested amendment by Mr. Shepherd is that Service Alberta engage AMVIC and other stakeholders should they decide to review the Fair Trading Act for possible amendments.

**Mr. Shepherd:** Thank you. Yes. That captures the spirit of what I was suggesting.

**The Chair:** Any questions or comments on the amendment?

**Mr. Smith:** I would like to speak to the motion, rather.

**The Chair:** Okay. Mr. Rodney.

**Mr. Rodney:** Yes. We all have problems. I have problems, too. Two of my problems come from the fact that I have a couple of degrees in English, so words are very, very important. Of course, they are in law. As long as we all understand the intention is whether we use the word "should" or "if and when" or "when the time comes," that's what we're talking. Yeah. I am not a hundred per cent happy with it, but I can live with it.

**The Chair:** Thank you.

**Mrs. Aheer:** My question with regard to the language is: do we have set parameters or dates or whatever when fair trade would be coming forward? I imagine that will dictate as to "should," "whether," "has to." All of those things can be, I think, easily decided, given whether or not this is coming up within the mandate of this government.

**Mr. Koenig:** I can only provide very general comments. When this discussion was coming up in the committee earlier on today, I had a look at the Fair Trading Act, and from what I saw in the very brief review I did, there was not a statutory requirement for that legislation to be reviewed. With a bit more of a fulsome review I could provide a bit more detail with that, but there may be other internal government processes for reviewing legislation, and that may trigger some kind of review. I don't know.

**Mrs. Aheer:** Okay. I know, for myself, I think that I would be more comfortable with that language once we understand sort of what we're looking at as far as whether or not or if it actually gets reviewed.

Thank you.

3:15

**The Chair:** Thank you.  
Mr. Shepherd.

**Mr. Shepherd:** Yeah. I think what we have to recognize is that all we're working with right now is a single suggestion from one stakeholder who mentioned that they thought there may be the chance that the Fair Trading Act was coming up for review in the next couple of years. That's my understanding, anyway. We don't have anything more official than that. I think that going in the direction of a timeline or anything like that would be a bit presumptuous at this point. We're just sort of going on the general idea that there is the possibility that this is going to occur. If it does, this is the direction they should pursue.

**The Chair:** Any other questions or comments? On the phones?

Hearing none, I would call the question on the amendment by Mr. Shepherd. If you could go ahead.

**Mrs. Sawchuk:** You want me to read it one more time?

**The Chair:** Please.

**Mrs. Sawchuk:** Okay. The amendment, moved by Mr. Shepherd, to the motion recommends that

Service Alberta engage AMVIC and other stakeholders should they decide to review the Fair Trading Act for possible amendments.

**Mr. Rodney:** Sorry. Are we voting on the amendment or the motion?

**The Chair:** The amendment.

**Mr. Rodney:** Okay. I'm happy to just take that as a friendly amendment. We don't even need to vote.

**Mrs. Sawchuk:** There really is no such thing.

**Mr. Rodney:** All right. Then let's vote.

**The Chair:** So we're voting on changing the words to "should they decide."

**Mr. Rodney:** Then let's read it one last time.

**The Chair:** They'd like it read one more time.

**Mrs. Sawchuk:** The amended motion would read, for the words "to review," "should they decide to review" by adding those words in, "should they decide." That's the amendment by Mr. Shepherd.

**The Chair:** All those in favour of the amendment, please say aye. On the phones? Any opposed? Hearing none, the amendment carried.

Now back to the original motion as amended. Any discussion? On the phones?

Hearing none, I'll call the question on the amended motion by Mr. Rodney.

Oh, we would like you to read it again.

**Mrs. Sawchuk:** Thank you, Madam Chair. Moved by Mr. Rodney that

the Standing Committee on Families and Communities recommend that Service Alberta engage AMVIC and other stakeholders should they decide to review the Fair Trading Act for possible amendments.

**The Chair:** All those in favour, please say aye. On the phones? Any opposed? The amended motion is carried.

Mr. Rodney.

**Mr. Rodney:** Thank you. The third and final for today is: I move that the Standing Committee on Families and Communities recommend that government work with industry to design a best practices educational awareness campaign.

**The Chair:** Thank you.

**Mr. Rodney:** It could be a lot more wordy, folks. I mean, that's what we're hearing. Some good things are happening. A lot of people don't know exactly where to go or how it works, and it would be a win for, I dare say, government, let alone industry, but really the consumer if people had a little bit quicker, easier access to what already is out there. I hope that captured that correctly.

**The Chair:** Thank you.

Any member wanting to discuss? On the phones?

**Mr. Koenig:** I'm happy to provide any – just say it. The committee may wish to consider clarifying the scope of the word "industry." Motor vehicle industry, motor vehicle repair industry, motor vehicle sales industry: I'm not sure if there's a particular area that the committee may wish to specifically include or cover in the scope of this amendment.

**Mr. Rodney:** Test number two, and you passed. In fact, I'd almost – I don't know if we're allowed to do this, Chair – turn to our guest and say: is it motor vehicle industry, or what would be the most accurate name of the stakeholder groups involved?

**The Chair:** What about motor vehicle sales and repair industry?

**Mr. Rodney:** Would AMVIC cover that? [interjection] Apparently, it's AMVIC's mandate, so could we do that because – let's face it – they would be consulting with everybody else in industry, probably.

**The Chair:** Mr. Rodney, is that wording . . .

**Mr. Rodney:** Let's just replace "industry" with "AMVIC."

**The Chair:** So perhaps . . .

**Mr. Rodney:** Okay. Sorry. I've got an idea, and it hasn't come from Florida. Hopefully, this works.

**The Chair:** Mr. Rodney has another idea.

**Mr. Rodney:** It's just like in the previous one. I said: AMVIC and other stakeholders.

**The Chair:** Okay. If we could have it reread.

**Mrs. Sawchuk:** Okay. Chair, thank you. Moved by Mr. Rodney that the Standing Committee on Families and Communities recommend that government work with AMVIC and other stakeholders to design a best practices educational awareness campaign.

**The Chair:** Comments from the committee? Questions? On the phones?

Hearing none, I will move to the question regarding the motion brought forward by Mr. Rodney.

If you could read it one more time, please.

**Mrs. Sawchuk:** Moved by Mr. Rodney that

the Standing Committee on Families and Communities recommend that government work with AMVIC and other stakeholders to design a best practices educational awareness campaign.

**The Chair:** All those in favour, please say aye. On the phones? Any opposed? Hearing none, the motion is carried.

**Mr. Rodney:** Wow. We're doing well. Should I do some more? Kidding. Thanks very much.

**The Chair:** Any other motions that any members would like to bring forward at this point?

Go ahead.

**Dr. Massolin:** Thank you, Madam Chair. Under the category Moving Right Along I think the committee has got a report here. Maybe some members of the committee are not aware of what the reports have looked like with respect to a bill that has been referred after first reading but before second reading, as we've received, but they're pretty brief in contents and format. They basically reflect the decisions that the committee has made, and I think we've heard three of them here. In addition to that, there is additional information about the meetings of the committee and other activities of the committee, including the stakeholder consultation and the public consultation. With that, I would ask for the

committee to give research services direction to that effect, and then we'll proceed to draft the committee report.

With respect to the timelines of all this, I don't know if there's a will at all for a minority report, but that's usually required within a week of the report itself, the draft report, being circulated.

The other aspect here is that the committee sometimes meets to review the draft final report, or the other alternative is for, of course, the draft report to be finalized by the chair after it's been circulated for comment by the committee. So you could do it that way provided the committee moves and passes such a motion.

I think I've covered my bases, but if there are any questions, I'd be happy to answer any of those. Thank you.

3:25

**The Chair:** Thank you.

Any questions? On the phone?

Do we have a motion?

Mr. Shepherd, you had a question?

**Mr. Shepherd:** No. I was just going to comment if we were at the point of discussion on the issue.

**The Chair:** We're just going to read a possible motion.

**Mr. Shepherd:** Certainly.

**Mrs. Sawchuk:** Madam Chair, a motion could read that the Standing Committee on Families and Communities direct committee research services to draft a report on the committee's review of Bill 203, Fair Trading (Motor Vehicle Repair Pricing Protection for Consumers) Amendment Act, 2016, for circulation to the committee for its review and that the chair and deputy chair be authorized to approve the final report.

**The Chair:** Thank you.

Any comments or questions?

**Mr. Rodney:** I certainly trust our chair and deputy chair, but I would wonder why all of the people on the committee, every one of us, wouldn't see it before it would be approved.

**The Chair:** It would go to the entire committee. However, instead of having another meeting, it would just be the two of us that would need to approve it. Mrs. Sawchuk can read it again.

**Mrs. Sawchuk:** Okay. That the Standing Committee on Families and Communities direct committee research services to draft a report on the committee's review of Bill 203, Fair Trading (Motor Vehicle Repair Pricing Protection for Consumers) Amendment Act, 2016, for circulation to the committee for its review and that the chair and deputy chair be authorized to approve the final report.

**Mr. Rodney:** The only thing that I see missing is that it's for our review, but the question wasn't asked whether or not we would approve.

**Mrs. Sawchuk:** Review and comment?

**Mr. Rodney:** I would say: for review and approval. Here's why. Again, I'm not trying to stick a wrench in here, but we've been meeting. We agree. We just passed three motions together. I don't see any reason why any of us would not approve, but if there was something glaring in there – I mean, these are very talented people; that's not going to happen – if there was something to which any one of us had some exception to, we should be informing you folks, who could then make the decision. Because the work has been done, I would hope this would be one of those circumstances where after

the report has been done: folks on the committee, do you approve? I expect your answer would be a hundred per cent yes. Then you both would have every reason to approve.

**Dr. Massolin:** What I would say is to, I guess, reiterate what I said before with respect to: if you want the entire committee to approve it, I would suggest that that would require another meeting because then you'd vote on the committee report. That's the manner in which these reports, as you know, Mr. Rodney, have been approved in the past. I think the intention here under this motion is for the committee to review it, to have a few days to do that, and then to do exactly as you suggest if there's an issue there, to point that out for the chair and deputy chair's sort of comment and ultimate approval or lack of approval.

Thank you.

**The Chair:** Thank you.

Go ahead.

**Mr. Rodney:** Far be it from me to disagree with Dr. Phil, for whom I have great respect, as long as that is completely understood. I'd just like to have things within the wording. It's one thing to have the intention there; it's another thing to have the words there. If we all understand that that's the intention – and in this particular situation I'm quite confident – we don't have a problem. For instance, the question of whether or not there would be a minority report written: I don't see, as I look around the room, any reason why any of us would do that, so I've got to think that we're all going to agree anyway. If Parliamentary Counsel is suggesting that and there's all-party agreement with it, let's go ahead and get the business done.

**The Chair:** We have an additional word, too.

**Mrs. Sawchuk:** Thank you, Madam Chair. The addition would be: for circulation to the committee for its review and comment.

**Mr. Rodney:** Sure. That's fine with me.

**Dr. Massolin:** May I just make one . . .

**The Chair:** Yes.

**Dr. Massolin:** Thank you, Madam Chair. Just one other comment to hopefully add an additional level of comfort. That is that the committee report is very, very basic. It will essentially reflect the three motions that were passed, verbatim, taken from *Hansard*. I just wanted to offer that.

Thank you.

**The Chair:** Thank you.

Do we have a member that would like to move this motion?

**Mr. Rodney:** I thought I did.

**The Chair:** Okay. Thank you, Mr. Rodney.

Any other comments or questions?

I would like to call the question on the motion proposed by Mr. Rodney.

**Mrs. Sawchuk:** I'll read it one more time, Madam Chair. Moved by Mr. Rodney that

the Standing Committee on Families and Communities direct committee research services to draft a report on the committee's review of Bill 203, Fair Trading (Motor Vehicle Repair Pricing Protection for Consumers) Amendment Act, 2016, for circulation to the committee for its review and comment and that the chair and deputy chair be authorized to approve the final report.

**The Chair:** Thank you.

All those in favour of the motion, please say aye. On the phones? Any opposed? Hearing none, the motion is carried.

Now we are on to other business. Are there any other issues for discussion before we conclude our meeting?

Hearing none, we're on to the date of the next meeting. Members will be polled to determine their availability. Once a date is established – oh, sorry, Mr. Rodney.

**Mr. Rodney:** A very quick comment meant in the spirit of everyone's safety. When we do have a meeting that takes a chunk of the day – I'm very happy to meet – could the chair and other members consider just the timing of it?

You might know that other jurisdictions allow for some travel time. For instance, on Monday mornings in Ottawa things begin a little bit later in the day so that people can drive up. If, for instance, you had a four-hour drive from your home or constituency, if you get up at 5, then you could leave at 6, and we could start a 10 o'clock meeting. Just using the example, we're done at 3:30; we started at 8:30. If we started an hour and a half later, at 10, that would give you four hours to get here. We'd be done at 5; that would give you four hours to get home. You'd be done at 9.

Rather than sacrificing your Sunday evening with your family or getting up at 4 in the morning, I'm just wondering – I'm not making a motion or anything – could we consider just allowing some travel time, perhaps a 10 o'clock start? For folks out in the Internet world, that doesn't mean that we're starting to work at that point; we're getting up probably at 5 to begin work, and we'll be doing it till probably 10 o'clock at night. If we're going to be family friendly and if we're going to be safe on the roads, could we consider something like that?

**The Chair:** Thank you, Mr. Rodney. Your comments are noted.

I'd call for a motion to adjourn.

**Mr. Yao:** Hear, hear.

**The Chair:** Moved by Mr. Yao that the meeting be adjourned. All in favour of the motion, say aye. On the phones? Any opposed? Hearing none, the motion is carried.

Thank you. Have a wonderful rest of your day, everyone.

[The committee adjourned at 3:34 p.m.]











