

TIERED VEHICLE REGISTRATION RATES **MOTION RATIONALE – OCTOBER 21, 2008-10-22**

The Department of Transportation is in the early stages of designing and implementing a new digital vehicle registration system to be used throughout the Northwest Territories. Given that we're still in the development phase, now's the best time to consider a change in how we register vehicles in the NWT so that can be incorporated into the system.

I believe that vehicle registration fees in the Northwest Territories should be changed from a flat rate to a graduated emission-based system. This strategy will help the Northwest Territories and Canada meet its targets for greenhouse gas reduction and achieve the goal set by the NWT Greenhouse Gas Strategy in 2007. The proposal is an opportunity for the Northwest Territories to be a leader in regulating vehicles to support the immediate need for climate change mitigation.

Mr. Speaker, changing our registration fee policy to a graduated emission-based system meets the goals set out in the NWT Greenhouse Gas Strategy by:

- Increasing the awareness of climate change and the need to control emissions,
- engaging all Northerners who register a vehicle
- promoting the use of more efficient equipment and technology

This is a practical action that can be taken immediately, with long term results and sustained reduction in emissions. These alone are strong reasons for the GNWT to consider changing our vehicle registration policy to reflect our priority of climate change mitigation.

The GNWT's strategic plan identifies the need to coordinate efforts to ensure sustainable development. If development increases at its current rate, the Northwest Territories will triple its emissions within the next three to five years. We can counter this by promoting the use of environmentally responsible vehicles. A new emission-based registration system would also advance current initiatives already in place by both the territorial and federal governments. It gives us an opportunity to work proactively with residents, communities and industries on the mitigation of climate change. In addition, now that the ecoAUTO rebate program offered by the federal government has been cancelled effective December 31 2008, this could

take its place as an incentive for Northerners to buy environmentally responsible vehicles.

Mr. Speaker, the Government of Canada has announced that it will introduce new regulations for fuel consumption for cars and light trucks starting in 2011. The new standard will meet or exceed the one proposed by the United States of 6.7 litres per hundred kilometres. Some provinces, such as British Columbia, will also introduce new vehicle emission strategies in their spring session — report standards that approach the state of California's proposed 5.3 litres per hundred kilometres. The transportation sector accounts for roughly 25% of Canada's total greenhouse gas emissions and 18% of the emissions in the Northwest Territories. The NWT Greenhouse Gas Strategy identifies that if 10% of the NWT vehicles were replaced by mid-sized hybrids, emissions would be reduced significantly. While greenhouse gas emissions for vehicles is a complex problem, changing our registration fees to directly address emissions would be a step in the direction of territorial and federal climate change mitigation goals. It would also make it easier for Northerners to adapt to future federal regulations.

The Northwest Territories does not perform emission testing on vehicles, nor does it currently have a graduated registration policy in place like most other jurisdictions. The majority of Canadian provinces have tiered registration systems, which classify vehicles in a variety of ways. Some do it by weight. Some jurisdictions, such as B.C., tend to follow the state of California's tailpipe emissions approach, dividing their fleet of vehicles into two groups: passenger cars and light duty trucks, and larger trucks and SUVs.

The United Kingdom classifies its vehicles by brands with carbon dioxide per kilometre and charges fees at a rate that averages one imperial pound per gram of carbon dioxide per kilometre for most vehicles. Every litre of fuel burned emits approximately 2,300 grams of carbon dioxide. Owners of alternative-fuel vehicles or fuel-efficient vehicles, such as the Toyota Prius,²² which consumes on average about 4L per hundred kilometres, are charged an almost negligible fee of up to 35 British pounds, or \$72 Canadian, per year. Vehicles cost up to 400 British pounds, or \$822 Canadian, a year if they register vehicles that emit 226 grams of carbon dioxide or more per kilometre.

I'm not suggesting we go to the same extreme as the United Kingdom. I believe that we should rate vehicles in the Northwest Territories by how many litres it takes to go 100 kilometres. This is easy to calculate, as that information is included in manufacturers' specifications.

In discussing this motion with other Members, some have indicated they're concerned that the graduated system would affect small, isolated communities negatively — communities where the majority of vehicles are often 4 wheel drive pick-up trucks. In small, isolated communities, these vehicles are appropriate given the road conditions, where small vehicles low to the ground would only last a couple of weeks.

A graduated registration system does not have to be a significant disadvantage to small communities. One way to address this concern is to have a two-tiered instead of a multi-tiered system. For example, this government could implement a system where vehicles ranging from better than 9 litres per hundred kilometres in the city — vehicles like the Toyota Prius, the Ford Focus and any other small cars and hybrids — could be charged less than the existing rate of \$89 per year, somewhere around maybe \$55 to \$65. Vehicles ranging from 9.1 litres per hundred kilometres or worse in the city — vehicles such as the Ford F15023, Chevy Silverado and most SUVs — would be charged the existing rate of \$89 per year, which results in no change in the majority of the smaller communities.

As a note, I've recently travelled to Fort Resolution, Fort Smith, Hay River, Fort Simpson, Fort McPherson, Délînhê, Inuvik, Norman Wells and Behchoko, and at each of these communities — with the exception of Délînhê and Fort McPherson — I saw a large number of vehicles that would definitely fall into the lower registration category. With respect to Délînhê and Fort McPherson, I wasn't there long enough, and I didn't have an opportunity to look around town, but I wouldn't be surprised if there were vehicles in those communities that fall into the lower rate criteria.

This is a sort of registration system that allows Northerners to choose which vehicles they'd wish to buy but also gives them incentive to make environmentally responsible choices. If this sort of action is taken by other jurisdictions, it will put significant pressure on the auto industry to develop products that meet the need for cost effective, environmentally responsible vehicles.

Basing territorial registration fees on emissions is consistent with the GNWT's strategic plan for an environment that will sustain present and future generations, the GNWT's target for reduced emissions by 10% by 2011, and the federal government's new standards for vehicles. It allows for flexibility and choice while still promoting environmental responsibility. It is an opportunity for the Northwest Territories to lead the way on climate change mitigation and will result in sustained long-term reduction of emissions.

I'm putting this motion forward and supporting it, because I think it's the right thing to do. I'm not saying what the tiered rates should be. I believe that if this motion is passed, the Department of Transportation should conduct research into other jurisdictions, develop a reasonable rate structure that factors in the reality of small communities, and bring that proposed rate structure back to the Standing Committee on Economic Development and Infrastructure for consideration and debate. I encourage Cabinet, as well as Members on this side of the House, to support this motion and demonstrate that we care about our environment and are committed to meeting our targets for greenhouse gas reductions and achieving the goals set by the NWT Greenhouse Gas Strategy in 2007.

Thank you, Mr. Speaker.