

# CAMVAP

Canadian Motor Vehicle  
Arbitration Plan



Programme d'arbitrage pour  
les véhicules automobiles du Canada

# PAVAC

(By email to the Law Amendment Committee - allenmo@gov.ns.ca)

November 23, 2010

Honourable Ross Landry  
Chair, Law Amendment Committee  
Nova Scotia Legislature  
PO Box 1116  
Halifax NS B3T 2X1

Dear Mr. Landry,

## **Bill 94, Motor Vehicle Act (Amended)**

### **Response from the Canadian Motor Vehicle Arbitration Plan (CAMVAP)**

#### **Background**

The Canadian Motor Vehicle Arbitration Plan is a dispute resolution plan where consumers and the manufacturers of their vehicles can resolve disputes about defects in the vehicle's assembly or materials or how the manufacturer is applying or administering its new vehicle warranty. Disputes regarding these issues are resolved at no cost to the consumer through binding arbitration.

CAMVAP is available to consumers who are the owners or lessees of vehicles that are eligible for the program. The program is governed by a board of directors that includes representatives of the provincial and territorial governments, consumers, motor vehicle manufacturers and motor vehicle dealers. While the program is mandated through a series of agreements between the governments, consumer representatives, motor vehicle manufacturers and motor vehicle dealers, the arbitrations are conducted in accordance with an agreement for arbitration between the parties to the arbitration and under the rules set out in Nova Scotia's Arbitration Act. The program operates in the same manner in all of the provinces and territories.

The Government of Nova Scotia, through the Service Nova Scotia, is a member of CAMVAP and participates in the governance of the program. The program is administered for the Atlantic Provinces by the Better Business Bureau of the Maritime Provinces located in Halifax and CAMVAP uses the services of independent arbitrators from Nova Scotia to hear the cases.

CAMVAP's operating statistics for 1994 to 2009 are attached. Most notably with respect to Bill 94, there have been 38 vehicles repurchased by the manufacturers in Nova Scotia for a total of \$672,552 reimbursed to consumers. In addition, there have been 76 repair orders and 29 orders for the manufacturer to reimburse the consumer for repairs.

CAMVAP is fully paid for by the members of the Association of International Automobile Manufacturers of Canada and the Canadian Vehicle Manufacturers' Association. These two associations collectively represent virtually all manufacturers and distributors of light duty vehicles in Canada. Their member manufacturers are fully supportive of the CAMVAP program and were instrumental in the program being developed and implemented in 1994. The manufacturers have supported the program as a viable and cost effective alternative to cases being heard in court for more than sixteen years. The industry's continued support for this dispute resolution program is impressive and demonstrates their commitment to ensure that consumers have effective and easy access to CAMVAP.

#### **Specific Comments with Respect to Bill 94**

##### ***Comments Regarding Identification for Branding:***

CAMVAP does not support inclusion of the amendment to clause (w) that includes vehicles bought back through CAMVAP under the definition of a 'lemon'.

CAMVAP recommends that reference to CAMVAP be removed from this section.

CAMVAP bought back vehicles are repurchased for many reasons other than those that impair the use, value or safety of the new vehicle. The test used for a buyback under CAMVAP arbitration is much less rigorous than that used for lemon laws in other jurisdictions. For most lemon law jurisdictions a prescriptive test is applied, such that if after three or four attempts to repair the vehicle for the same problem is unsuccessful, the vehicle is deemed a lemon and it is up to the manufacturer to prove that it is not. The reality is that many CAMVAP buybacks would not meet the eligibility threshold for cases in lemon law jurisdictions.

It is therefore CAMVAP's position that removal of CAMVAP buybacks from clause (w) which seeks to define a 'lemon' for the purpose of branding the vehicle, is warranted because the eligibility test is significantly different from U.S. lemon law jurisdictions.

##### ***Comments Regarding the Disclosure Requirements:***

Consumers interests with respect to CAMVAP buybacks are well served through the provisions of Sections 44 A (1) (a) and 3 (b) as proposed. Under these clauses, full disclosure of CAMVAP buybacks is required at the time the consumer is considering the purchase or lease of the vehicle.

The information to operationalize these clauses is readily accessible on the CAMVAP website at [www.camvap.ca](http://www.camvap.ca). It should be noted that CAMVAP has proactively disclosed buybacks under the CAMVAP program since 2002. There are currently 1,071 vehicle records in that file.

Regarding the proposed provisions of 44B (g) it needs to be understood that the vehicle being covered under warranty has no relation to whether or not the vehicle is eligible for CAMVAP. As such, it is recommended that “*where the vehicle is covered under warranty*” be removed from section 44B (g).

With respect to clause 44B (k), we are assuming that this is the written confirmation from clause 44A (3) (b) that must be provided with the sales agreement. If this is the intention we would suggest that 44B (k) is redundant in light of 44B (b), which says that the sales agreement must include an acknowledgment from the purchaser that the purchaser has received the information required by Section 44A.

***General Comments:***

We also would suggest that sections 44B (b), (j), and (k) are problematic for new vehicle sales.

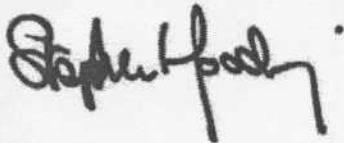
Section 44B does not distinguish between a new and used vehicle with respect to what needs to be included in the sales agreement. This should be remedied to avoid significant confusion as to the requirements for sales agreements.

With the changes we have suggested we believe Bill 94 will assist the consumer in making an informed purchase decision with the full knowledge of the vehicle’s history and the availability of CAMVAP as a dispute resolution program.

Due to the speed at which this Bill has moved from second reading to the Committee, CAMVAP representatives are unable to attend in person to present this brief. Should additional questions be raised during the Committee’s deliberations CAMVAP would be quite willing to respond and if needed to meet with Committee staff in Halifax.

On behalf of CAMVAP I thank the Committee for its time and consideration of our brief.

Yours truly,  
CANADIAN MOTOR VEHICLE ARBITRATION PLAN



Stephen Moody  
General Manager

**Nova Scotia  
1994 to 2002 Statistics**

	1994	1995	1996	1997	1998	1999	2000	2001	2002
General Inquiries	25	72	107	89	102	255	264	189	167
Hearings Held	11	15	11	16	20	22	24	36	36
Vehicles Bought Back	2	0	3	0	3	2	0	3	5
Buy Back Amount	\$18,077	\$0	\$49,427	\$0	\$84,847	\$52,430	\$0	\$18,639	\$122,721
Repair Orders	0	5	4	5	4	2	6	10	7
Reimburse Repairs	0	1	2	1	3	2	6	2	4
Reimbursement Amount	\$0	\$500	\$5,417	\$32	\$819	\$2,144	\$5,510	\$529	\$1,350

**Nova Scotia  
2003 to 2009 Statistics**

	2003	2004	2005	2006	2007	2008	2009	Total
General Inquiries	154	174	183	171	140	120	86	2,298
Hearings Held	27	17	27	10	11	10	11	304
Vehicles Bought Back	5	2	4	1	1	6	1	38
Buy Back Amount	\$14,979	\$60,493	\$97,281	\$1,058	\$29,964	\$120,616	\$0	\$670,532
Repair Orders	6	5	9	3	4	3	3	76
Reimburse Repairs	2	4	2	0	0	0	0	29
Reimbursement Amount	\$1,719	\$2,257	\$3,623	\$0	\$0	\$0	\$0	\$23,901

Note: When an "owned" vehicle is repurchased through CAMVAP the full cost of the buyback is included in the chart. When a 'leased' vehicle is repurchased, only the amount owing to the consumer for any security deposit is paid to the consumer. The manufacturer terminates the lease with the lessor. In a case such as the one noted in 2009, the consumer would not have paid any funds up front at the time the vehicle was leased, hence the \$0 as the buyback amount. The consumer's lease was terminated at the time the buyback took place with the consumer having no further obligations with respect to the lease or the vehicle.