



February 6th, 2006

The Rt. Honourable Stephen Harper, Prime Minister
House of Commons
Ottawa, Ontario
K1A 0A6

RE: Hybrid, fuel cell, electric and other automotive efficiencies

The Cambridge Chamber of Commerce requests the Federal Government give consideration to an incentive based initiative that will encourage the growth, availability and affordability of alternatives to the standard combustion engine.

This is not to say that the combustion engine has not improved significantly over the last 100 years, in fact the efficiency and emissions of today's combustion engine is remarkable and the technology has been advanced very positively to create a better product. However the technical advancements of the combustion engine are likely to slow or even stop due to the incredible success alternatives like hybrid engines have made. As we all know, there is a very keen focus from all auto manufacturers around the world to move quickly in advancing and producing more fuel efficient systems in their product as we see our oil prices rising to unaffordable limits for the average consumer.

Automobile manufacturers in Canada are enthusiastically moving forward with the technology of hybrids and other significant alternatives to the combustion engine. We believe that Canada may be positioned to lead the world in growth of alternative automotive engine options, and at the same time lead the world in controlling and mitigating automobile emissions.

The automobile is an enormous user of petroleum products, and one of the primary reasons affecting international supplies causing the price of crude to rise. We are aware of the dramatic growth in China and that the demand for crude worldwide is ever increasing. Oil is limited by supply rate abilities, and reserve capacities, with supply sometimes lagging and causing unpredictable and unaffordable increases. The Cambridge Chamber of Commerce believes that by reducing automobile gas consumption, the demand universally will be lowered causing the price per barrel to go down. The net affect of course is the price reduction at the pumps for every consumer. Some may say it is a lofty goal, but it needs to start somewhere, and we believe Canada can and should be the benchmark for sustainability in consumption, setting a model of conservation and environmental contribution for the entire world to see.

A nationwide incentive would make the cost of hybrid, fuel cell or other alternative energy sources for automobiles seem negligible. It would encourage consumers to purchase lower consumption automobiles. A national program would achieve success in reducing our dependency on gas, and contribute significantly to the environmental concerns currently created by combustion engine emissions.

Therefore the Cambridge Chamber of Commerce urges the Federal Government to immediately implement a tax credit or tax waiver of an amount equal to the GST on all new car sales with energy efficient technology such as the hybrid engine. The GST on a new car would in many cases, meet the cost of the option for this technology and makes the alternative a preferred choice for consumers. We also believe that if a national strategy of this nature was implemented, eventually the cost of the option for hybrid or other energy saving alternatives would be reduced enough, that Canadian automobiles would come standard equipped with energy efficient power trains. When the industry has these alternatives as standard equipment it will eventually lead to global reduction in oil consumption, making added resources available for developing countries, and in turn reducing global prices. The Cambridge Chamber also believes the savings to the end user would translate to added disposable income and increase spending on other consumables adding even more prosperity to our national economy.

We believe that with a national policy in place, this will lead automobile manufacturers to seriously consider this technology as standard equipment for all cars destined for Canada. As well with such strong support from the Federal Government, Canada will be looked upon as leaders in innovative initiatives to combat global oil issues, and even automobile emission. We may also see hybrid engine plants built in Canada, Research and Development institutions for the advancement of alternative energy sources locate here, there by directly linking economic growth, opportunity and prosperity to the program as well.

Implementing a sunset clause would make it temporary, as the availability and price point of the alternative options become par with current standard combustion engines, the need for the incentive would become unnecessary. We recognize there may be a financial impact on the national budget, however the long term advantages both economically and environmentally would outweigh the short term financial impact. With the consumer having more disposable income forever, other taxable spending will offset any immediate shortfall in tax revenue. With the value of our currency being affected by oil, it is vital for us to implement measures to ensure our long-term competitiveness. By reducing oil demands, and reducing crude pricing, we will affect every Canadian, and every Canadian business.

On behalf of our Members, and all Canadians, thank you for your consideration, I am available to assist with additional information or discussion at anytime.

Sincerely,

Greg Durocher

Greg Durocher
General Manager
Cambridge Chamber of Commerce

“Ontario’s 2nd Largest Chamber of Commerce, Working For Business”

*CC: The Honourable James Flaherty, Minister of Finance, House of Commons,
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