



Canadian Trucking Alliance

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The Canadian Trucking Alliance is a federation of the seven Canadian provincial trucking associations representing approximately 4,500 motor carriers and is dedicated to serving the national and international interests of Canadian motor carriers.

NEWS RELEASE

CTA Urges Finance Committee to Recommend Incentives for Investment in Green Trucks and Harmonization of Key Business Input Tax with the GST in Next Federal Budget

Appeared today at pre-budget consultations on Parliament Hill

(Ottawa, Nov. 27, 2007) -- Accelerating the penetration of smog-free, low-GHG heavy trucks into the Canadian fleet through financial or tax incentives and harmonizing the federal excise tax on diesel fuel with the federal goods and services tax (GST) took centre stage during the Canadian Trucking Alliance's appearance in Ottawa today. CTA appeared before the House of Commons Standing Committee on Finance that is holding hearings into the 2008 federal budget which is expected to be tabled by the Minister of Finance in the first part of next year.

David Bradley, CEO of CTA, urged the all-party committee of MPs to recommend the alliance's enviroTruck initiative. The enviroTruck initiative could increase fuel efficiency in the industry by over 20%, save almost a billion and a half litres of diesel fuel per year and reduce GHG emissions by almost 4 million tonnes if only half of the new heavy tractor-trailer units sold in the country included the full package of CTA's proposed aerodynamic, auxiliary power and other fuel economizing equipment.

"This is not a pipe dream," said Bradley. "The equipment and the technology for the trucking industry to be smog-free and to significantly reduce its contribution to GHG are here now; what we need is for government to work with industry to provide the added incentive that will enable the industry to invest in the new equipment and to replace its aging fleet more quickly." CTA is proposing a rebate program similar to the Energy Star program for home appliances or the rebates on the purchase of energy-efficient light duty vehicles. It also says that accelerating the capital cost allowances, the rate at which truckers can write off their tractors and trailers for depreciation purposes would also be of assistance noting that the CCA rates are significantly slower in

Canada than in the United States.

Bradley also said that it is "high time the federal government took advantage of its healthy fiscal situation by eliminating the regressive excise taxes on commercial diesel fuel, which were introduced in the mid-1980's specifically to raise money to reduce the prevailing deficits governments were recording at the time, by enveloping the diesel tax into the GST." Recently, the federal government indicated its desire to have the provinces that still have sales/consumption taxes on business inputs, to harmonize those taxes with the GST. "To be consistent and fair, the federal government needs to look at its own archaic way taxing commercial fuel in the transportation industry," says Bradley. "The taxation of business inputs is a critical issue for Canadian trucking companies who, like their customers in the manufacturing sector, are grappling to stay competitive and improve their efficiency and productivity in the face of the high value of the Canadian dollar. General reductions in corporate income tax rates are always helpful, but in low margin industries like trucking, it is the high level of taxation on our investment in fuel and equipment which really need to be addressed."