



DEPARTMENT OF EXTERNAL AFFAIRS
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U.S. HEAVY VEHICLE USE TAX

The Department of External Affairs announced today that on February 20, at the request of the Canadian Government, an emergency meeting of the Motor Carrier Consultative Mechanism was convened in Washington to discuss developments relating to the U.S. heavy vehicle use tax (HVUT). The meeting was attended by officials of the United States Government and by Canadian federal and provincial representatives.

The United States Senate, in recently approving a highway authorization bill, accepted an amendment which would impose the full use tax on all Canadian truckers operating into the United States. There is no similar provision in the version of the bill passed by the House of Representatives. House and Senate members will confer shortly to settle differences between the two versions of the bill.

Canada's purpose in calling for the emergency meeting was to register Canadian concerns regarding the Senate bill, while reiterating the willingness of Canadian truckers to pay taxes at a level reflecting their use of American highways. Canadian officials pointed out that Canada has no similar tax at the provincial or federal levels.

The U.S. Department of Transportation, at the request of the Congress, is currently preparing a study of the implications of the HVUT for transborder trucking. This study will be completed in the fall. The U.S. Administration agrees with Canadian authorities that the Congress should not act on this matter prior to the completion of the study, and has so indicated to the Congress. At the meeting, both sides restated their commitment to work towards an equitable solution to the issue of transborder truck taxation.