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TRANSBORDER TRUCKING

Following the meeting of the Council of Transport Ministers in Halifax yesterday, Trade Minister Ed Lumley and Transport Minister Jean-Luc Pepin responded today on behalf of the Federal Government to the recent U.S. measures affecting Canadian trucking interests.

The President of the United States has announced his approval of the U.S. Bus Regulatory Reform Act which contains measures which would prohibit the issue of certificates of authority to provide transborder services to Canadian-owned and controlled firms for at least two years. He has simultaneously exercised his authority under the legislation to partially remove this moratorium by permitting the ICC to issue certificates of authorities for Canadian firms, subject to certain conditions which are more restrictive than those applied to U.S. firms.

The Government of Canada, with the full cooperation of the Provinces, has since the introduction of this legislation into Congress in late 1981 repeatedly demonstrated to the U.S. Administration that there is no discriminatory treatment of Americans in Canadian regulatory practice and that the U.S. measures are entirely unjustified.

The Government of Canada has made clear to the U.S. Administration its deep concern that the modified measures announced September 20 are still intolerable. In the absence of any evidence of discrimination in Canadian regulatory practices, they represent a retroactive imposition of new, more restrictive conditions on Canadian applicants only.

In his announcement the President instructed the U.S. Trade Representative to report back to him in 60 days after discussions with Canada. Mr. Lumley said that Canada is always ready to have discussions with the U.S. However, we will not accept as a basis for these discussions either unfounded allegations concerning Canadian regulatory practice or any unilaterally conceived form of reciprocity.

Mr. Lumley and Mr. Pepin indicated that they are looking forward to working with the Advisory Committee established by the Council of Federal and Provincial Ministers of Transport to resolve this issue. They concur with the Council's decision to defer any action until it is clear whether there is real progress in the Interstate Commerce Commission's treatment of Canadian applicants, as well as in action by the Administration to end discrimination against Canadian truckers.

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At its meeting in Halifax on September 23, 1982, the Council of Ministers Responsible for Transportation and Highway Safety expressed its grave concern over the recent unwarranted and unacceptable action of the U.S. government in imposing discriminatory and retroactive requirements on Canadian motor carriers seeking to operate across the international boundary. In particular the Ministers noted the following specific concerns:

- (a) An administrative moratorium imposed by the Interstate Commerce Commission in February 1982 has made it impossible for Canadian carriers to obtain operating authorities for which they were qualified under American rules.
- (b) Based on unfounded and misleading allegations, the U.S. Congress has attached wording to the Bus Regulatory Reform Act which seeks to impose a total legislative moratorium on Canadian trucking applications.
- (c) The modification of the legislative moratorium announced by President Reagan on September 20 continues to discriminate against Canadian carriers and raises concern about American intentions.
- (d) American actions which focus attention exclusively upon motor carriers risk injury to Canada/U.S. commerce, to the detriment of the national interest of both countries.

In view of the President's decision earlier this week modifying the legislative moratorium, and the need to obtain clarification of U.S. intentions during the 60-day period referred to in the President's statement, the Council of Ministers agreed that any action in response to past U.S.

measures should be deferred for the time being. During the 60-day period, Ministers will pay particular attention to the actual performance of the Interstate Commerce Commission in its treatment of Canadian applicants, as well as to measures taken by the Administration to end discrimination against Canadian truckers.

The Council of Ministers directed the Standing Committee on Motor Carriers of CCMTA to begin immediate preparation of possible courses of action which could be undertaken by Canadian jurisdictions if the issue is not satisfactorily resolved. The Council also directed the Standing Committee to start to develop detailed information on the current involvements of American carriers in trans-border operations in order to better identify and protect Canadian interests.

In order to supervise this activity and to participate directly as advisors to the Minister of State (International Trade) in any meetings with the U.S. administration, the Council of Ministers established a special committee chaired by the Honourable Jean-Luc Pepin (Canada) and including, the Honourable James Snow (Ontario), the Honourable Henry Kroeger (Alberta), the Honourable Ron Dawe (Newfoundland) and the Honourable Samuel Uskiw (Manitoba).

The Council of Ministers expressed the hope that this crisis will be satisfactorily resolved by the U.S. government and stressed its strong support for the principle of maintaining equitable treatment of all carriers under the respective laws which obtain in each jurisdiction. Specifically, the Council endorsed the concept of closer ongoing relationships between Canadian and American transportation agencies once this crisis is resolved in order to prevent any recurrence.