

# DRIVE CLEAN - TEMPORARY RELIEF

## UCDA Members Need More

After six weeks of frustration for many members, the Ministry of the Environment ("MOE") has made some adjustments to the new Drive Clean program. These are temporary measures, but they will relieve dealers of the need to drive aimlessly for hundreds of kilometres and days on end, trying to make vehicles "ready" to pass a Drive Clean test.

While most vehicles tested do pass on the first test, 7% have failed at least one test for not being "ready". This represents a lot of vehicles ... considering that over 2 million vehicles will need to be tested this year.

Many members have complained about problems getting vehicles ready for the test, even after going through the drive cycles recommended by MOE, that we have written about in past issues of Front Line. Often, these are newer vehicles, including 2012 models.

Following several phone discussions and a meeting with Drive Clean officials, here is what MOE has put in place to help address this serious problem:

If a vehicle fails a test because it is "not ready", it will not need to be tested over and over again if:

- The vehicle is re-tested at **least 24 hours** after the first test;
- The vehicle has been driven at **least 30 kilometres** since the first test;
- The battery has **not** been disconnected and OBD codes have **not** been cleared; and,
- The number of "not ready" monitors has **not** increased since the first test.

If the vehicle meets these conditions and fails the re-test for not being ready, it will qualify for a two speed idle test, (or visual smoke test for diesel vehicles), which can be done immediately.

If it passes this third test it can be plated into the name of the customer.

While pleased that MOE officials were able to do something to help members sell and deliver "not ready" vehicles to their customers, these steps are far from perfect:

- Three tests, spread over two days, are still needed to pass a "not ready" vehicle that probably has no emissions problems at all.
- The total cost of the three tests is \$87.50 ... more than double the \$35 cost of a single test.
- One-third of test facilities do not have two speed idle test equipment, so dealers may need to go to a different facility for the third test.

These temporary changes don't address the UCDA's larger concern about the need to test newer vehicles at all. Vehicles less than 7 model years old are exempt from testing for licence plate renewal. MOE has recognized that these newer vehicles have much lower emissions levels and will almost always pass a test.

However, if the same vehicle is sold, either by a dealer or a private seller, a test is required in order for the new owner to attach their plates. Simply put, this isn't fair.

The UCDA wrote Environment Minister Jim Bradley in late January, requesting a meeting and asking that the Minister extend the 7 year exemption to cover the sale of vehicles, in addition to plate renewal.

A copy of the letter was emailed to members at the time and is printed on page 2 of this edition of Front Line.

The Minister's Office has responded and a meeting has been arranged. We'll let you know what happens.



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Hon. Jim Bradley Minister of the Environment Ferguson Block, 11th Floor, 77 Wellesley St. W. Toronto, ON M7A 2T5

January 28th, 2013

Dear Minister;

Ontario's new Drive Clean test is creating major problems in the motor vehicle sales industry. We would like to request a meeting with you to discuss making beneficial changes to the program as soon as possible.

The Used Car Dealers Association of Ontario represents close to 4,800 of Ontario's franchise and independent motor vehicle dealers and our members are finding the new program unworkable, cumbersome and flawed. The new program has already cost dealers considerably in wasted time, needless driving of vehicles and even lost sales, and the situation shows no sign of improving.

Our industry needs to see fundamental changes to the system; and soon.

The Problem

Minister, vehicles are failing the Drive Clean test, not because their emissions levels exceed Ministry standards, but merely because the vehicle's On-Board Diagnostic ("OBD") system is not "ready" to be tested. In our climate, just sitting outside overnight can render a vehicle not "ready". Drive Clean officials has suggested that our members follow a lengthy list of instructions that can sometimes require several days and hundreds of kilometres of aimless city and highway driving in order for the vehicle to become "ready" to be tested. If it is not ready, the vehicle will fail a test ... even, as is usually the case, if there is nothing wrong with it.

The resulting absurdity is that dealers must drive vehicles, for no other reason than to drive them, needlessly releasing pollutants into the atmosphere and wasting gasoline, to enable them to be tested by an emissions reduction program! This irony has not been lost on our members.

Even then, for a myriad of reasons that even highly trained vehicle technicians often cannot understand or explain, a significant number of these vehicles remain unready and thus incapable of passing the test.

Minister, we wish to be clear that we share your concerns with respect to clean air, but the new program ignores the fact that the emissions from modern vehicles are a fraction of what they were fifteen or even ten years ago.

We also wish to be clear that it's not only dealers who are affected by this. Many consumers have been prevented from taking delivery of their newly purchased vehicles because the dealer has not been able to make the vehicle "ready" for a Drive Clean test.

These added costs and delays are now viewed by most of our members, and by affected Ontario drivers, as nothing more than a tax grab dressed up as environmental protection. These costs are inevitably passed on to the consuming public. The Drive Clean Program as presently constituted is unfriendly and unfair to both Ontario vehicle owners and to our industry.

Resolving the Problem

In the months leading up to implementation of the new program and through the difficult first four weeks since it has come into effect, the UCDA has worked with Drive Clean officials to inform our members and help them adjust to it. Our November, December and January Front Line member newsletters described the new program in considerable detail and offered suggestions to members about how and when to test vehicles in their inventory. We have published the "drive cycle" recommended by Drive Clean officials and in many cases it does seem help to make the vehicle ready. However, in a significant number of instances, according to our members, it does not.

"Readiness"- Newer Cars are the Problem

Minister, we have found that the vast majority of readiness complaints we have received relate to late model vehicles. Surprisingly, it seems that newer vehicles are more difficult to make ready for a test than older vehicles!

We are asking that a reasonable accommodation be given immediately to dealers and all vehicle owners to prevent them from having to go through this, costly, time consuming and wasteful exercise.

Seven Year Exemption

As you know, vehicle owners are exempt from testing their vehicles for the purpose of licence plate renewal for 7 model years. This exemption correctly recognizes that these newer vehicles are almost always operating cleanly and should not require a test. However, dealers and others selling their vehicles are not currently granted the same benefit.

As a longer term solution, we are formally requesting, that you extend the 7 model year exemption to apply to the re-sale of vehicles, thus freeing dealers and vehicle owners from the need to waste time and resources in testing these clean vehicles that will almost always pass the test anyway (once "readiness" issues are resolved).

We plan to share this letter with our members and await your response and the opportunity to meet with you as soon as possible to resolve this serious and growing concern.

Yours truly,

[Handwritten signature of Warren N. Barnard]

Warren N. Barnard, LL.B. Executive Director



Individually, We Struggle To Be Heard. Collectively, We Cannot Be Ignored!

## UCDA's Roadside Assistance Program Easier Than Ever

You now have two ways to register your customer's newly purchased vehicle in the UCDA Roadside Assistance Program, offered by Dominion Automobile Association (DAA).

Some members have signed up in the past year and have a login and password at [www.ucdassist.com](http://www.ucdassist.com). They have been enrolling vehicles directly with DAA. Those accounts will remain open and can still be used.

For members who have not set up an account with DAA, we have developed an easier registration process at [www.ucdasearches.com](http://www.ucdasearches.com) ... the same place you obtain lien searches, Auto Checks™ and other vehicle information searches.

Simply open the Roadside tab, enter the customer and vehicle details ... hit enter and print the Roadside details page for your customer. The UCDA will look after the registration with DAA.

The UCDA's Roadside Assistance Program costs just \$15.99 per vehicle. Your customer can count on 6 different Roadside Services including, towing, flat tire, battery boost, lock out, fuel delivery and emergency winching.

The UCDA's Roadside program is very unique because it covers the car, not the driver, and has North America wide coverage.

For more information call the UCDA.

## Curbsider Goes To Jail

A Convicted Curbsider has been sent to jail.

OMVIC issued this press release in January:

"Andre N. Campbell of Mississauga has been sentenced to 32 days in jail after being convicted on 16 counts of acting as a motor vehicle dealer without benefit of registration (curbsiding), contrary to the Motor Vehicle Dealers Act, 1990.

Campbell was charged in 2006 after Ontario Motor Vehicle Industry Council (OMVIC) investigators found he routinely purchased vehicles from salvage auctions, conducted repairs and then sold them, posing as a private individual selling a personal vehicle. Many purchasers were not told of the previous damage the vehicles had sustained."

Campbell had previously been convicted twice of curbsiding on a total of 4 counts and was ordered to pay \$900 in total fines ... fines he never paid.

## Customer Financing by Desjardins

The UCDA is pleased to add Desjardins' Ready-To-Drive Loan (RTD) product to the growing list of benefits for UCDA members. Qualifying is easy and many members are already enjoying the benefits of this program!

The Ready-To-Drive Loan is a consumer finance product for both new and used vehicles as well as marine, powersports and RVs. It's been developed for our members' prime customer base and has many unique features.

Every RTD loan is life insured for the term of the loan\*. The insurance is complimentary - no fee to the dealer or consumer!

Desjardins has created flexible and easy to follow rate grids for UCDA members. It offers both variable and fixed rate options and payment terms (monthly, bi-monthly and weekly) to fit specific customer needs and internal reserve requirements. Variable rate loans also offer the option for consumers to switch to a fixed rate at any time during the term.

This program allows for financing of vehicles from 10 model years old to brand new. Desjardins will accept vehicle loans from as low as \$5,000. Members don't need to be concerned about taking older trades (or having to wholesale them), knowing that financing is available if they are retailed.

### Dealer qualifications to sign up for this program are:

- UCDA member in good standing
- At least 2 years in business
- At least 25 units in inventory
- 50% of inventory must be 2005 model year or newer

### Document requirements to sign up are:

- Desjardins application (can be accessed by clicking on [Dealer Financing](#) in the Member Services section at: [www.ucda.org](http://www.ucda.org) )
- Void cheque
- Articles of Incorporation or Business Licence
- List of inventory
- Copy of OMVIC Registration Certificate
- Current financial statements

Take advantage of generous reserves, flexible terms and quick payments offered by Desjardins to ensure maximizing sales and revenues in 2013!

For any questions relating to this program, please call 1-877-871-0114 or email [ucda@scd.desjardins.com](mailto:ucda@scd.desjardins.com).

\* *life insurance is valid for consumers up to age 70, after that the coverage reverts to accidental death only*

## Customer Lists

When salespeople move on to greener pastures they often want to take "their" list of customers with them. Salespeople often feel the customers on the list "belong" to them because they spend the most time with them, build a rapport, a relationship, an understanding, and they want to take that with them to their new employer.

But, just because a salesperson feels those customers are "theirs" does not mean that they are.

### Ownership

Everything a salesperson does, everything he or she says, every vehicle sold, and every document completed, is done in the name of, and for, the dealership who they work for.

The buyers are customers of the dealership, not the salesperson. The "list", belongs to the dealership.

### Privacy

The protection of all consumer data, personal information and financial background is the responsibility of the dealership.

While the dealership may have the implied consent under privacy laws to contact past customers, this consent does not apply to salespeople when they go to work at a new dealership.

A salesperson, as well as their new employer, faces the prospect of violating privacy laws if they contact consumers without the proper consent to do so. Dealers hiring new salespeople need to be aware of this and make sure their new salespeople have consent to contact former clients of their previous employer.

## 2012 Garage Insurance Rebates

The UCDA garage insurance program currently covers almost 1,400 members and the vast majority have proven to be a good risk for insurance.

Our insurance program is unique in that members that had no claims in 2012 were rewarded with a 5% premium rebate. In 2012 more than \$200,000 was returned to members. The rebates are in addition to the 7.5% exclusive premium discount that only members enjoy when they enroll in the program and keep their membership up to date.

If you would like a quote or more information about the UCDA's garage insurance program call the UCDA and ask for Valerie.

## US Internet Scams

OMVIC is warning of another online vehicle sale scam from the U.S. targeting Canadians ... including dealers.

Husen Original Autos advertises on Canadian sites such as AutoTrader.ca, Wheels.ca, E-bay.ca, Craigslist.ca and Kijiji.ca, offering high-end late model vehicles at prices that are often "too good to be true".

The dealer is supposedly based in Phoenix, Arizona, but the business does not actually exist.

According to Arizona authorities, Husen is not licensed and they have no physical location. Their advertised address is actually a former fire hall!

Husen Original Autos may be the latest version of Ambient Auto Center and Sprint Luxury Auto. Both were phony dealerships, supposedly based in Oklahoma, and pulling the same type of scam.

According to OMVIC, at least five Canadian consumers have fallen victim to these scams, losing a total of almost \$200,000. We're not aware of any dealers having been victimized and we hope that none have been.

The UCDA echoes OMVIC's concerns and advises members to be very careful when looking to purchase vehicles out of the U.S. based on internet ads, unless the selling dealer is very familiar to you.

### Otherwise:

- Don't do it.

### But if you're still tempted:

- Beware of a price that is well below the average market price. If a price seems too good to be true ... it probably is.
- Travel to see the vehicle – don't rely on pictures on a website. Ensure that the vehicle actually exists and the seller is who they claim to be.
- Demand to see a copy of the title for the vehicle.
- If the seller claims to be a dealer, check with state regulators to confirm that the dealer is licensed.
- Purchase a U.S. vehicle history report for the vehicle – don't simply rely on a report provided by the seller. UCDA members can request Carfax reports for \$15 at [www.ucdasherches.com](http://www.ucdasherches.com).
- Don't pay for the vehicle without being confident that everything is legit.