



NEWS from the:

Motor Dealer Council of British Columbia

FOR IMMEDIATE RELEASE

New fees reflect Lower Mainland problems

BURNABY, B.C. (30 March, 2006) - Annual licence fees paid by all motor dealers in British Columbia, commencing May 1, 2006, will begin to reflect the disproportionate amount of service issues and enforcement problems that occur in the Lower Mainland. Every dealer operating from Hope to Whistler, including the Greater Vancouver area, will pay a \$500 surcharge over fees paid by dealers elsewhere in the province.

"The issues we deal with in the Lower Mainland are not merely a reflection of population size and the local economy," said Ken Smith, the MDC President and Registrar. "The blunt truth is that the majority of unscrupulous performers are right here under our nose. The MDC did not see why dealers in less problematic areas should carry that burden."

The Motor Dealer Council is an independent regulatory authority established pursuant to the laws of British Columbia with responsibility for administering the Motor Dealer Act and related regulations, as well as other statutes as they involve motor vehicle sales to consumers. The Board of Directors consists of industry (new and used cars, light trucks, motorcycles, recreation vehicles) and prominent "public-at-large" representatives, individuals with distinguished backgrounds in public service and business.

The independent regulatory agency is just completing its second year of operation, successfully implementing programs and creating substantial demand for more. For the 2006/07 fiscal year the MDC will have a budget of \$3.8 million, up from \$2.4 million. About 60 percent of the increase relates to enforcement and licensing issues. Among the new programs to benefit both industry and the public will be a Dispute Resolution Service, a mediation process that can more rapidly and inexpensively resolve disagreements.

The Lower Mainland surcharge is just one of the "equity" issues addressed in the new fee structure. The MDC established compulsory salesperson training and licensing in 2004. In the past year, revenues from this source had grown to represent almost half the entire MDC budget, far too heavy a burden on industry workers. New car dealers, who also sell two thirds of used cars sold through B.C. dealerships, paid only 14 per cent of the entire budget in 2005-2006. This will be adjusted for the new year. New car dealers will pay 33 per cent; used vehicle, motorcycle and moped dealers, 26 per cent; and, salespeople 28 per cent.

The new fee structure will be communicated to the industry today. Details can be found at www.mdcbc.com.

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