



Hamilton

CITIZEN COMMITTEE REPORT

To:	Chair and Members Public Works Committee
From:	Sharon Gibbons  Hamilton Cycling Committee - Chair Signature
Date:	March 1, 2017
Re:	Request to send a letter to the Federal Ministry of Finance regarding the Duty on Imported Bicycles

Recommendation:

That the attached letter (Appendix A) be sent to the Federal Ministry of Finance regarding the existing Duty on Imported Bicycles.

Background:

The Hamilton Cycling Committee requests that the 13% tariff that is currently imposed on almost all imported bicycles be eliminated. (The NAFTA tariff is much lower.) Originally this duty was imposed to protect our Canadian bicycle manufacturing sector. However, with the exception of niche hand-built bicycles, Canada no longer manufactures bicycles, so the duty benefits no one and makes bicycles more expensive for everyone.

Analysis/Rationale:

The Hamilton Cycling Committee (HCyC) is of the opinion that making the purchase of bicycles more affordable will encourage more people to own a bicycle. Using a bicycle for recreation improves physical and mental health. Using a bicycle for transport, instead of relying on a car, reduces engine emissions and improves air quality. Governments are offering financial incentives for the purchase of electric vehicles while they impose an import duty on muscle-powered bicycles.

Appendices:

Appendix A – Letter to the Federal Ministry of Finance

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Ministry of Finance,
Government of Canada

The City of Hamilton Cycling Advisory Committee requests that the 13% tariff that is currently imposed on almost all imported bicycles be eliminated.

We understand that originally this duty was imposed to protect our Canadian bicycle manufacturing sector. However, with the exception of niche hand-built bicycles, Canada no longer manufactures bicycles, so the duty benefits no one.

Thus the tariff now only inflates the cost of bicycles; yet cycling is a great component of city mobility and an inexpensive means to improve personal health and our environment, and to reduce pollution and the strain on infrastructure.

We also want to take this opportunity to state the merits of bicycles over electric vehicles (EVs).

The carbon footprint to produce a bicycle (about 240 kg / 530 pounds) is significantly smaller than that to produce an electric vehicle (about 16 times as much).¹ Meanwhile, EVs are significantly tax incentivized (i.e. in Ontario \$6,000 - \$10,000, plus other incentives that can add another \$3000- \$5,000) while bikes (or E-bikes) receive no such benefit.²

Affordability is a second merit. EVs are only affordable to the middle and upper classes of society, while bicycles are more affordable to all of society. What a boon a bicycle can be to students, the working poor, and those unable to attain a driver's license (a myriad of health reasons can be mentioned); especially with a motor vehicle's maintenance and insurance requirements.

Third, bicycles require significantly less expensive infrastructure and cause virtually no wear and tear on this transportation infrastructure.

There are many benefits in encouraging active transportation. Improved air quality, improved health for all citizens, improved learning habits for children, and less congestion on streets are good reasons for cities and the Canadian government to encourage citizens to use Active Transportation. For every one less auto on the road, there is a net gain for all society.

Let's help the vulnerable and poor to have that alternative available by making bicycles more affordable; instead of adding financial penalties to bike ownership by imposing a 13% duty.^{3 & 4}

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With demonstrated Federal action on Climate Change, we feel strongly that now is the time for this duty to be eliminated. It is a simple action that could be part of the Climate Change Plan.

In conclusion we strongly believe that the duty should be eliminated for these reasons:

1. Bicycles benefit our environment by reducing emissions and thereby improving air quality for all Canadians.
2. Active Transportation is a physical and mental health benefit to those who use it.
3. More generous financial incentives already exist for electric vehicles (EVs).
4. Cycling could be a more affordable mode of transport for many.

Please explain why this duty/tariff is still in effect and when we can expect to see it eliminated.

Thank you,
Sharon Gibbons
Chair, Hamilton Cycling Committee

cc:
Prime Minister's Office
Minister of Finance
Minister of Health
MPs representing Hamilton
Ontario Minister of Tourism, Culture and Sport
Ontario Minister of Health and Long-Term Care
MPPs representing Hamilton

Endnotes

- 1.(http://www.slate.com/articles/health_and_science/the_green_lantern/2011/08/two_wheels_vs_four.html)
- 2.(https://news.ontario.ca/opo/en/2016/02/ontario-making-electric-vehicles-more-affordable.html?_ga=1.140203706.827375778.1474810651)
- 3.(<http://www.foxnews.com/health/2016/01/04/how-exercise-can-enhance-memory-and-learning.html>)
- 4.(http://thirdwavecycling.com/pdfs/at_business_case.pdf)