



# AMERICAN TRUCKING ASSOCIATIONS

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March 24, 2011

Mr. Darren Weiner  
Excise Tax & Other Levies  
Excise Duties & Taxes Division  
Canada Revenue Agency  
20th Floor, Place de Ville, Tower A  
320 Queen Street  
Ottawa, ON, Canada K1A 0L5

*By mail, and by fax to: 613.954.2226*

Dear Mr. Weiner:

This is in response to the request for comments issued in March 2010 by the Canada Revenue Agency (CRA) with Excise Taxes and Special Levies Notice ETSL73, regarding hotel services. We understand that the period for comments has been extended through March 31, 2011.

The American Trucking Associations (ATA), based in Arlington, Virginia, is a national federation of all types and sizes of motor carriers, as well as allied industries, individual-member councils, affiliated conferences of specialized carriers, and fifty affiliated state trucking associations, representing altogether some 37,000 motor carrier members. Many of ATA's motor carrier members travel in Canada, and some are based there. ATA therefore has a strong interest in federal and provincial regulations that affect motor carrier operations in Canada.

We agree with the comments filed with CRA on this issue by the Canadian Trucking Alliance (CTA) on May 31, 2010; that is, while CRA Policy Statement EP-003 offers a refund of the federal fuel tax to those taxpayers who have consumed tax-paid fuel in a vehicle for the generation of electricity whose use is for purposes other than the operation of the vehicle, the documentation requirements required for the claim of such a refund make it virtually impossible for motor carriers ever to obtain them. The detailed vehicle-by-vehicle and device-by-device engineering analyses required by the policy statement are far too burdensome for larger motor carrier fleets to perform, and may also require even small-fleet operators to take an inordinate amount of time from their actual operations. Moreover, at least with respect to the trucking industry, we believe such analyses to be unnecessary. The policy statement indicates that CRA's chief concern in establishing these new requirements was the need to prove that the electricity generated

Good stuff.



in a vehicle was used primarily for purposes other than propelling the vehicle. Whatever may be the case with other modes of transportation, this should not currently be an issue with respect to motor carriers, since heavy electrically powered highway vehicles are, at least at this point, practically nonexistent.

The only remaining issue, then, is the determination of the quantity of fuel actually used in a given motor vehicle to generate electricity. The process by which this consumption may be gauged is well covered by CTA's comments, including those the Alliance makes with respect to auxiliary power units, or APUs. We would only add that the engine control modules found in all newer heavy trucks can provide data on the time the engine spends idling. Global positioning systems and similar technologies, also found on an increasing number of heavy commercial vehicles, can supply the necessary data on vehicle location.

A limited number of the states in this country provide motor carriers with a refund of motor fuel tax paid on fuel consumed in truck engines while at idle. We have not found any published regulations in any of these jurisdictions, however, that would be of assistance to CRA in devising less burdensome requirements for the trucking industry. We would note, though, that a far greater number of the states offer a tax credit for the fuel consumed in power take-off equipment mounted on motor vehicles. Some of these states allow a flat percentage of the total fuel used by a vehicle equipped with power take-off devices; others require a statement from the manufacturer of such devices on the rate of fuel use, coupled with metered records of the time the devices have operated; some states supplement these data with limited operational field testing. We would be pleased to supply CRA with references to such state regulations.

In conclusion, we endorse the recommendations CTA has made in its comments to CRA on this issue. We trust that following the expiration of the current comment period, CRA will assemble a group of interested parties, including both motor carriers and their suppliers, who can together arrive at a more equitable method for claiming the fuel tax refund for hotel services.

Sincerely,



Robert C. Pitcher  
Vice President, State Laws

cc: Ron Lennox, CTA