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May 25, 2005

The Honourable Stéphane Dion, MP, CP
Minister of the Environment
Environment Canada
10 Wellington Street
Gatineau, Québec K1A 0H3

Dear Minister:

Re: Third Party Panel Review: Manganese-Based Fuel Additives

We are writing to express the concern of the auto and oil sectors regarding the delay in commencing the independent scientific Third Party Review (the "Review") of Information on the Effects of the Fuel Additive MMT (methylcyclopentadienyl manganese tricarbonyl) (the "additives") on Vehicle Emissions and Emission Control Systems.

Both of our industries welcomed Environment Canada's, December 2003, proposal to conduct the Review. The Review plan, as was subsequently structured by your officials, was to release the final Terms of Reference in the fall of 2004. Allowing eighteen (18) months for the Review, a conclusive outcome was expected by mid-2006; more than two years after the voluntary suspension of the additive by the majority of members of the petroleum sector and four years after the automotive industry announced its comprehensive study of the impact of the additive on advanced emission control technologies.

As of today, the Terms of Reference have not yet been issued and the prospect of further delays is very troublesome for both industries. From an oil industry perspective, any uncertainty associated with the delayed completion of the Review defers any corporate decision to implement an alternative to the additive such as investing in new facilities. Canadian oil companies are, and will be incurring significant operating costs well into 2007. Environment Canada needs to consider the consequences of further delaying the process, including the possibility that the current voluntary suspension may, at one point, become intolerable on the part of some oil companies if there is no resolution in the near future.

From an auto industry perspective, vehicle manufacturers have previously advised your department of the effects of manganese-based additives on the intended performance and operation of advanced emission control technology. The impacts include, but are not limited to component failure and the ability to meet the very stringent new Tier 2 vehicle emission standards. It is the interest of all stakeholders, as well as the government, for this process to proceed in a timely fashion in order to uphold the government's public commitment to conduct an independent Review which results in a much needed and definitive outcome on this matter.

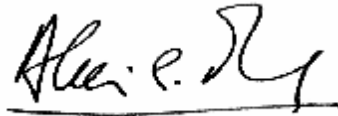
We do not pretend to understand all the reasons behind the delay. It seems, however, that there would be no prejudice to any of the stakeholders if your Department issued, as quickly as possible, the final Terms of Reference for the Review, inclusive of our jointly shared views on priority issues: required confidentiality of sensitive business information; and, fullness of cooperation in the Review process. By doing so, stakeholders would then be permitted to study the Terms of Reference independently and provide commentary as soon as possible. Departmental officials would then be in a better position to assess if any other administrative matters need to be finalized prior to initiating the Review.

Minister, we need to be re-assured of your full support and commitment to the Independent Review and its objectives. Our industries are at your disposal to assist you with anything that can be done to move this process forward most expeditiously.

Respectfully,



Mark Nantais
President
Canadian Vehicle
Manufacturers' Association



Alain Perez
President
Canadian Petroleum Products
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David C. Adams
President
Association of International
Automobile Manufacturers of
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cc: The Honourable David Emerson, Minister, Industry Canada
Mr. Samy Watson, Environment Canada
Mr. Barry Stemshorn, Environment Canada
Mr. Gord Owen, Environment Canada
Ms. Suzanne Hurtubise, Industry Canada
Mr. Ron Watkins, Industry Canada