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October 20, 2003

Mr. Walt Lastewka, MP
Chair, Standing House of Commons Committee on Industry, Science and Technology
House of Commons
Ottawa ON K1A 0A6

Dear Mr. Lastewka:

In June 2003, the Canadian Automobile Association (CAA) wrote to you regarding the need for the Government of Canada to act expeditiously and provide much needed relief from high gasoline prices. Along with this call for action, we had also offered a series of practical recommendations that could be undertaken in the short-term to help Canadian consumers make more informed choices at the pump. A copy of our June submission is enclosed for your convenience.

Since we last wrote to you, the Province of Ontario was subject to a state of emergency during the massive blackout in August. For the most part, Ontarians banded together to ensure that cooperation prevailed while the power was out. Unfortunately, accusations have arisen that some gasoline retailers saw this event as an opportunity to hike prices at the pump and take advantage of consumers. In Quebec, CAA members expressed their concerns with pricing disparities across the province during this time.

These allegations of excessive prices on an essential consumer good during a state of emergency have added to the serious questions and concerns that many CAA members in some parts of Canada already have about the volatility of domestic retail gasoline prices, and increased consumer doubts about the competitive nature of the retail gasoline market in Canada. These consumers deserve to have their concerns addressed, and to know whether or not these allegations are valid.

We are now asking that the House of Commons Standing Committee on Industry, Science and Technology extend its study on gas pricing issues, and in particular review any allegations of price gouging that have arisen.

CAA is keenly interested in the outcome of the work of the House of Commons Standing Committee on Industry, Science and Technology. Over the years, CAA has consistently sought vigilance and action by the federal government on this important consumer and economic issue, and we will continue to serve our members' needs in this area.

We hope that our comments and observations have proven to be constructive and helpful. We have consistently communicated helpful options for our members to reduce their gas usage and we would be pleased to work with you and your Committee colleagues to advance the recommendations contained in our submission. Mr. Daniel Tessier, CAA's Vice President, Public Affairs, has contacted your assistant to arrange a meeting. In the meantime, please contact me at 613.247.0117, should you have questions, or wish to discuss our proposals further.

Yours sincerely,



David Flewelling, CA
President

Cc:

Members, Standing Committee on Industry, Science and Technology

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