

Best Practices for Registration of Glider Kits



June 8, 2015

Canadian Council of Motor Transport Administrators

2323 St. Laurent Blvd. Ottawa, Ontario, Canada KIG 4J8 This page purposely left blank.

June 8, 2015 Page 2 of 25

Table of Contents

Introduction	5
Executive Summary	5
Definitions and Acronyms	6
Background	7
Program Criteria	7
Problem Statement	8
Issue Identification	8
Registration Policy	9
New Vehicle Information Statement (NVIS)	9
Vehicle Identification Number (VIN)	9
Vehicle Status	10
Make	10
Model	11
Model Year	11
Miscellaneous Issues	12
Conclusion	13
Appendix A – Title 49 CFR Part 571.7(e)	14
Appendix B – Transport Canada Position Statement	15
Appendix C – Current Registration Policy & Procedure CDN Jurisdictions	18
Appendix D – Summary of Working Group Discussion	19
Appendix E – British Columbia's Experience with Engine Model Year	21
Appendix F – California - Current Registration Policy & Procedures for Kit Vehicles	22
Appendix G – Working Group Members	25

Glider Kits – Heavy Commercial Trucks

This page purposely left blank

June 8, 2015 Page 4 of 25

Introduction

The purpose of this document is to set out recommended best practices for the registration of commercial trucks rebuilt with glider kits with the intent to implement uniform registration policies across Canadian jurisdictions.

Executive Summary

In November 2013 CCMTA member jurisdictions were surveyed to determine existing policy and procedures for the registration of glider kit rebuilt trucks. Survey results revealed significant inconsistencies and the need for best practices.

The development of the best practices in this document is influenced by the following three objectives:

- Consumer protection
- Compliance with program criteria
- Consistent registration practices

A focus is placed on ensuring common registration policy and processes to ensure accurate vehicle descriptions for the purpose of consumer protection.

A working group of CCMTA member jurisdictions undertook to review the survey results, discuss issues, consider options, and develop best practices.

It is recommended that member jurisdictions adopt the best practices for the registration of commercial trucks rebuilt with glider kits to ensure consistency and compliance with program criteria.

Working group recommendations apply to the following registration elements:

- NVIS requirement
- VIN
- Make
- Model
- Year
- Status

June 8, 2015 Page 5 of 25

Definitions and Acronyms

For the purposes of this document, the following definitions and acronyms are used:

• AAMVA: American Association of Motor Vehicle Administrators

CCMTA: Canadian Council of Motor Transport Administrators

CMVSS: Canadian Motor Vehicle Safety Standards

FMVSS: Federal Motor Vehicle Safety Standards

Glider Kit: "an assemblage of parts (kit) that would constitute a truck minus the power

train i.e., engine, transmission and drive axle(s)"1

Inspection: An official examination of a vehicle to determine condition of safety, emissions,

and repairs

• Make: "the name that a manufacturer applies to a group of vehicles"²

• Model: "the name that a manufacturer applies to a family of vehicles of the same class,

make, line, series and body type"³

NVIS: New Vehicle Information Statement "a record of basic information about a new

vehicle"4

Registration: "An official document that gives details of a vehicle and its owner"

Status: Standardized set of terms to describe specific vehicle conditions

• VIN: Vehicle Identification Number "a number consisting of Arabic numerals, roman

letters, or both that the manufacturer assigns to the vehicle for identification

purposes"6

Year: "the year used to designate a discrete vehicle model irrespective of the calendar

year in which the vehicle was actually produced, so long as the period of such

production is less than two years"⁷

¹Transport Canada, Position Statement: Glider Kits – Heavy Truck Industry, 07Feb14

June 8, 2015 Page 6 of 25

²Motor Vehicle Safety Act Regulations (2)(1)

³lbid

⁴CCMTA, NVIS Standard, 31Oct06

⁵Macmillan Dictionary, Macmillan Publishers Limited 2009-2015, online

⁶Motor Vehicle Safety Act Regulations (2)(1)

⁷lbid

Background

- The National Highway Traffic Safety Administration (NHTSA) administers Title 49 of the Code of Federal Regulations Part 571.7(e) (Appendix A). The regulation serves to differentiate a newly manufactured truck from a truck that has been constructed with a combination of new cab and used drivetrain components.
- Transport Canada's position on glider kits is based upon the US regulation. In January 2014
 Transport Canada published a Position Statement on Glider Kits and the Heavy Truck industry
 (Appendix B).
- The significance of the glider kit program is that a truck that has been rebuilt, in compliance with criteria set out in the regulation, is exempt from having to meet current Motor Vehicle Safety Standards established for newly manufactured commercial trucks.
- Historically a glider kit has been used to repair an existing heavy commercial truck whose front end has sustained serious damage and the major drivetrain components are salvageable.
- The program was very popular in the recession of the 1980's as a method of updating a vehicle fleet at a significantly lower cost than purchasing new trucks.
- Glider kits have become more popular in the past ten years because of federal emission regulations
 under the Canadian Environmental Protection Act and similar regulations in the US that regulate
 emissions from heavy-duty vehicles and engines.
- Today the primary reason given by glider kit purchasers is the pre-emissions engines are more fuel
 efficient, have less down time, and are more easily maintained than those with improved emissions
 controls.

Program Criteria

- To be compliant with policy a truck that has been rebuilt using a glider kit must meet the following two criteria:
 - all three major drivetrain components must be used i.e., remanufactured, reconditioned, rebuilt, and
 - o at least two of the three components must come from the same donor vehicle.
- Transport Canada considers any other use of a glider kit in constructing a vehicle as manufacture of
 a new truck and the manufacturer must certify that the completed truck meets all CMVSS that apply
 to the prescribed class of vehicle.

June 8, 2015 Page 7 of 25

- A glider kit transitions from being a collection of parts to being considered a newly manufactured truck when:
 - o all three of the major drivetrain components installed prior to importation, or
 - o a single new drivetrain component is installed, or
 - o used drivetrain components have been sourced from more than two donor vehicles.
- Transport Canada has determined that a glider kit can be properly imported with a single remanufactured major drivetrain component installed:
 - o kit with only a remanufactured engine installed is a "powered" glider.
 - o kit with only remanufactured drive axles installed is a "rolling" glider.
- If a glider kit is imported with a single major drivetrain component installed, then by default the
 remaining two components must be installed in Canada and must come from the same donor
 vehicle.
- Transport Canada has confirmed that engines are not required to come from a vehicle, may come from another source.

Problem Statement

- The glider kit program has transformed from a means of salvaging a severely damaged truck to building a nearly new model year vehicle with a pre-regulation emissions engine.
- These trucks are exempt from having to meet CMVSS or FMVSS.
- Manufacturers are taking advantage of the program to offset the declining sales of new trucks that began with the economic downturn of 2008.
- Some manufacturers have actually expanded their business operations to include the remanufacturing of transmissions and pre-emission engines and offer to sell these as part of the kit.
- With the increased number of glider kits being built the lack of uniformity in registration policy amongst the member jurisdictions has become problematic.

Issue Identification

- These trucks are being registered in some Canadian jurisdictions as fully compliant current model year vehicles.
- This is misleading to consumers, financing agencies, and insurers who base their decisions upon a truthful description of the vehicle being presented for consideration.
- Three lawsuits filed in the US have been won by the plaintiff who was not aware the vehicle had been constructed from used components.

June 8, 2015 Page 8 of 25

 Glider kit reconstructed trucks can be assembled by anyone. Only the glider kit itself is built to meet certain safety standards.

Registration Policy

Because of the lack of common registration policy owners will "shop" for a jurisdiction in which to register the vehicle. For example BC owners with operations in both BC and Alberta are registering their vehicles in Alberta due to less restrictive requirements.

Legislation prohibits these vehicles from crossing provincial borders; however, there is little enforcement.

There is a lack of uniformity between jurisdictions regarding registration policies and procedures (see table in Appendix B).

New Vehicle Information Statement (NVIS)

The NVIS is unique to Canada. CCMTA has oversight of the content of the NVIS and how the NVIS is to be utilized.

- The intent of the NVIS is to fully describe *newly* manufactured vehicles. All Canadian jurisdictions require the NVIS for registration of newly manufactured fully compliant vehicles.
- Glider Kit manufacturers have requested a national policy on the issuance of a NVIS for a glider kit.

Recommendation of Working Group (consensus):

Eliminate the requirement of a NVIS for registration of glider kit reconstructed heavy trucks.

- On behalf of CCMTA Mark Francis has sent a letter to manufacturers and dealers requesting they discontinue the issuance of a NVIS for glider kits and heavy trucks reconstructed with glider kits.
- Mark Francis to draft a letter to the Manufacturers Association informing them of the agreement by CCMTA member jurisdictions to discontinue accepting a NVIS for glider kits. Copy to CCMTA Drivers and Vehicles Program Committee.

Vehicle Identification Number (VIN)

The requirement for a VIN is set out in Schedule III, Part II Safety Standard 115 of the Motor Vehicle Safety Act Regulations and is overseen by Transport Canada.

Transport Canada confirms that a glider kit is not a vehicle and is instead a collection of parts;
 therefore, Transport Canada does not recognize the 17 digit serial/ID number assigned by glider kit manufacturers as a valid VIN.

June 8, 2015 Page 9 of 25

Recommendation of Working Group (consensus):

Jurisdiction to assign a VIN for all glider kit reconstructed trucks.

- Jurisdictions assign a valid VIN incorporating the last 8 digits of the kit as the last 8 digits of the assigned VIN ensuring continuity with the kit (manufacturers use the last 6 digits to identify a specific kit).
- Manitoba to use an 11 digit VIN comprised of "MBPGSIN" plus 4 digits.

Vehicle Status

Declaring vehicle status has two primary road safety objectives:

- o auto theft deterrence, and
- o consumer protection.

A vehicle status or brand is assigned by the jurisdictions to classify the condition of a vehicle based upon a report from an insurance company, importer, auctioneer etc..

A normal status is an indicator that a vehicle has not undergone any major work and is therefore not applicable to a glider kit reconstructed truck.

Recommendation of Working Group (consensus):

Jurisdiction to assign some form of "REBUILT" status at the time of registration of glider kit reconstructed trucks.

 the REBUILT status remains with the reconstructed truck throughout its lifetime and across all jurisdictions.

The Manitoba registry will defer to the Model descriptor to identify the unit as GLIDER to provide a flag to identify the alternate status. The status field will be noted as NORMAL.

Quebec is considering applying a new status to these trucks. These vehicles are highly customized and often completed by the owner/operator rather than a dealer. In recognition of this, Quebec is considering a status of "Handbuilt" or "Artis" to reflect the true nature of the completed vehicle.

Make

All jurisdictions currently register the vehicle according to the make of the kit i.e., Freightliner, Peterbilt, Western Star, Kenworth etc.

Recommendation of Working Group (consensus):

Jurisdiction to use the glider kit manufacturer as the vehicle "Make"

June 8, 2015 Page 10 of 25

Model

Most jurisdictions currently indicate the model as being some form of Glider.

Recommendation of Working Group (consensus):

Jurisdiction to use some form of the word "GLIDER" (i.e., GLIDE, GKIT, GKT, GL)

Model Year

There is a lack of unity among CCMTA members in the application of Model Year for glider kit reconstructed trucks:

- o Per NVIS (Model year of kit)
- o Donor vehicle manufacture date
- o Donor Engine model year
- Year of Kit manufacture

Recommendations of Working Group (no consensus):

The working group has proposed two options for registering the vehicle model year:

1. Use the model year of the glider kit.

Rationale:

- The model year is used in vehicle inspections to determine required equipment. Examples include:
 - Slack adjusters
 - o ESC
 - o ABS
 - Lighting set-ups
- Using a model year other than that of the kit will cause problems regarding equipment requirements.
- Using the model year of the kit aligns with homebuilt vehicle requirements. A homebuilt vehicle can have an engine of any model year installed and jurisdictions will assign the vehicle the current model year.
- o The manufacture year of the kit is typically the same year the vehicle has been completed and presented for registration.
- The engine is only one component of the completed vehicle. The majority of the vehicle is newly manufactured.
- The engine is not used to determine the registered year of any other vehicle.
- Appraising the vehicle off the engine year devalues these vehicles.
- Engines in vehicles are replaceable component and most jurisdictions do not prohibit the installation of older engines.

June 8, 2015 Page 11 of 25

2. Use the model year of engine.

Rationale:

- Legislation clearly states that when built according to criteria, these vehicles are not newly manufactured vehicles.
- The pre-emissions standards engines are currently driving the program primarily 1998 EPA standards (model year up to and including 2003).
- Presenting a kit vehicle as newly manufactured is misleading to any future owner (5 examples of case law in US).
- o Year of kit manufacture implies full compliance with both safety and emissions standards.
- o Presenting a kit vehicle as newly manufactured may be construed as misrepresentation to an insurance company and is misleading to financing companies.
- O Using the model year of the engine is an indicator the drivetrain of the vehicle is older than the cab appears. The vehicle may be appraised accordingly by financiers and insurers.
- It is unreasonable that vehicle with engines dating back to 1998 and other rebuilt components are considered equal to those of fully compliant newly manufactured vehicles with current model year engines that meet the most current and restrictive emissions standards.
- In an effort to curb pollution, some ports and rail transport hubs require vehicles to be less than 10 years. This ensures fewer harmful emissions when these heavy trucks are idling for long periods of time. This is the way of the future.
- Metro Vancouver is considering a bylaw to ensure remanufactured engines are no more than one year older than the body in which the engine is being installed (e.g., a 1998 engine can only go into a 1999 cab & chassis).
- o California has already introduced tougher emissions standards which have impacted a number of BC trucking companies. They have replaced their glider kits with fully compliant trucks.
- Operators contracted for highway maintenance are required to have vehicles of a certain vintage or newer. Contractors use the model year to determine if the age of the fleet is appropriate for the work to be undertaken and meets their specific requirements.
- o Glider-built trailers are required to take the identity of the donor trailer and have the donor trailer VIN assigned to the reassembled trailer.

Miscellaneous Issues

- Inspection requirements are not uniform across jurisdictions. The range includes the standard commercial vehicle inspection conducted by a qualified auto mechanic to a full structural integrity inspection or inspection by a qualified professional engineer.
- Interprovincial sales of glider kit built trucks have occurred between BC and Alberta particularly in Northern Regions.
- Dealers and third party builders are building glider kit trucks on spec and selling a completed vehicle off the lot as a newly manufactured vehicle.
- Customers swap out used transmissions and drive axles shortly after initial registration, defeating the intent of the program.

June 8, 2015 Page 12 of 25

- Limited regulatory authority governing glider kits in jurisdictions.
- Minimal scrutiny of installed components to ensure they were not sourced from stolen vehicles.

Conclusion

- The adoption of national program policies and best practices for registration of glider kit built heavy commercial trucks will provide consumers, financing companies, and insurers the necessary particulars to make informed decisions.
- Registration policies should differentiate between fully compliant trucks and glider kit rebuilt trucks in the same way Replikits are differentiated from fully compliant passenger vehicles.

June 8, 2015 Page 13 of 25

Appendix A - Title 49 CFR Part 571.7(e)

571.7 Applicability.

- (a) *General.* Except as provided in paragraphs (c) and (d) of this section, each standard set forth in subpart B of this part applies according to its terms to all motor vehicles or items of motor vehicle equipment the manufacture of which is completed on or after the effective date of the standard.
- (e) Combining new and used components.

When a new cab is used in the assembly of a truck, the truck will be considered newly manufactured for purposes of paragraph (a) of this section, the application of the requirements of this chapter, and the Act, unless

- the engine, transmission, and drive axle(s) (as a minimum) of the assembled vehicle are not new, and
- at least two of these components were taken from the same vehicle.

June 8, 2015 Page 14 of 25

Appendix B - Transport Canada Position Statement

Glider Kits - Heavy Truck Industry

This document serves as an explanation of Transport Canada's position with regards to glider kits and the requirements for vehicles manufactured from glider kits in Canada and for the importation into Canada of vehicles manufactured from glider kits. Please note that this document's only focus is the heavy truck industry.

At the outset, I should explain that the *Motor Vehicle Safety Act* (MVSA or *Act*) was enacted to enable the Governor in Council to make regulations to promote the safety of the travelling public. The *Act's* mandate is to regulate safety requirements of new and imported vehicles to reduce the risk of death, injury and damage to property and the environment. The *Act* requires that all vehicles manufactured in Canada, shipped from one province to another and those vehicles imported into Canada, comply with the applicable Motor Vehicle Safety Regulations (MVSR) and Canada Motor Vehicle Safety Standards (CMVSS) and that the manufacturer certify the vehicles at the time of main assembly. Trucks and truck tractors are regulated vehicles as per Schedule III of the MVSR and fall under the *Act*. The *Act* applies to all vehicles less than fifteen years old and to all buses manufactured after January 1, 1971.

However, subsection 7(2) of the MVSA provides an exception whereby vehicles purchased at the retail level in the United States that are not in full compliance with the CMVSS may be imported into Canada, provided the vehicles were originally manufactured to comply with all applicable U.S. Federal Motor Vehicle Safety Standards (FMVSS) and can be modified to comply with the CMVSS. Once modified, the vehicles must be inspected by the Registrar of Imported Vehicles (RIV), which is responsible for inspecting and certifying vehicles being imported into Canada from the United States.

Glider Kit Definition

A "glider kit" is an assemblage of parts (kit) that would constitute a truck minus the power train i.e., engine, transmission and drive axle(s).

"Vehicle" and "Incomplete Vehicle" MVSA and MVSR Definitions

The Act defines a vehicle as, "any vehicle that is <u>capable of being driven</u> or drawn on roads by any means other than muscular power exclusively, but does not include any vehicle designed to run exclusively on rails."

Glider kits, whether obtained directly from an original equipment manufacturer (OEM) such as
Daimler Trucks North America, PACCAR, or through a third party (Truck dealership) are
assemblages of parts and not considered "vehicles" as they do not meet the Act's definition of a
vehicle as they lack a power train which prevents them from being driven. It is important to note
that glider kits are not certified as trucks by any OEM that manufactures glider kits.

The MVSR defines an "incomplete vehicle as, "a vehicle that is capable of being driven and that consists, at a minimum, of a chassis structure, power train, steering system, suspension system and braking system in the state in which those systems are to be part of the completed vehicle, but requires further manufacturing operations to become a completed vehicle."

• As an assemblage of parts, glider kits cannot be considered as "incomplete vehicles" as they do not meet the MVSR definition.

June 8, 2015 Page 15 of 25

The use of a Glider Kit to build/complete a truck

Transport Canada's interpretation as to when the combination of new and used components become a new vehicle, mirrors the U.S. National Highway Traffic Safety Administration's <u>Code of Federal Regulations Title 49 - PART 571.7 (e)</u>, combining new and used components. (CFR49.P571(e)).

When a new cab is used in the assembly of a truck, the truck will be considered newly manufactured <u>unless</u> the engine, transmission, and drive axle(s) (as a minimum) of the assembled vehicle are not new, and at least two of these components were taken from the same vehicle.

Any other use of a glider kit

A company that assembles a glider kit to the point where the assemblage of parts meets at a minimum, the definition of an *incomplete vehicle*, and has <u>not</u> done so in accordance with CFR49.P571(e)), i.e., using new or used power train components acquired from various sources in place of used power train components that originated from the same vehicle, is considered the manufacturer of a <u>new</u> vehicle or incomplete vehicle and is required to certify the kit, now turned new vehicle or incomplete vehicle. As per the *Act*, the manufacturer is required to certify the vehicle and maintain certification documents that enable the determination of conformance to the applicable standards. Any subsequent modifications and/or alterations to the vehicle are also required to conform to the applicable safety standards and regulations as set out for new vehicles.

Importation of Glider Kits

When it comes to the importation of bare glider kits, they may be imported as parts into Canada as they do not meet the *Act's* definition of a vehicle or the MVSR's definition of incomplete vehicle, and as such do not fall under Transport Canada's jurisdiction.

A glider kit may be imported complete with a single remanufactured drivetrain component i.e., a remanufactured engine or remanufactured transmission, therefore; the remaining two drivetrain components must come from the same donor vehicle.

A glider kit with a remanufactured engine installed is commonly known as a "powered glider" and a glider kit with remanufactured drive-axles is a "rolling glider".

Importation of Trucks manufactured from Glider Kits

Transport Canada has determined that vehicles, classed as trucks <u>and manufactured from "glider kits"</u> that are less than fifteen years old, are <u>inadmissible</u> for importation into Canada due to the lack of certification that demonstrates that these vehicles comply with all applicable CMVSS or FMVSS.

Vehicle Identification

Transport Canada notes that the 17 digit glider kit identification numbers provided by glider kit manufacturers are **not** valid VINs as per CMVSS 115.

June 8, 2015 Page 16 of 25

Registration

All legislation, regulation, and policy and procedures pertaining to the registration and licensing of glider kit built vehicles fall under provincial and territorial authorities. This includes identification of required support documentation and determining how the vehicle will be described within the vehicle registry i.e., make, model, year, and status.

Summary:

- 1. "Glider kits" are assemblages of parts and not considered vehicles and therefore are not regulated by Transport Canada.
- 2. Trucks and truck tractors <u>manufactured from glider kits</u> in the U.S are inadmissible for importation into Canada.
- 3. For vehicles manufactured from "glider kits" in Canada, Transport Canada's position mirrors the US Code of Federal Regulations Title 49 PART 571.7 (e)

We trust that this information is helpful. If you have any questions or comments on this topic, please contact Transport Canada in writing at roadsafety@tc.gc.ca.

Sincerely,

Nicolas Courville

Regulatory Enforcement Officer Agent, application des règlements

Motor Vehicle Safety Sécurité des Véhicules Automobile 330 Sparks Street, 7th Floor Ottawa, Ontario K1A 0N5 Facsimile/télécopieur: 613-998-8541

<u>Motor Vehicle Safety Act / Loi sur la sécurité automobile</u> <u>Motor Vehicle Safety Regulations / Règlement sur la sécurité des véhicules automobiles</u>



June 8, 2015 Page 17 of 25

Appendix C - Current Registration Policy & Procedure CDN Jurisdictions

Glider Kit Registration Policy	АВ	вс	МВ	NB	ON	PE	QC	SK	NL	NT	NU	ΥT	NS
NVIS Required	No	No	No	Yes	Yes	Yes	No but NVIS always provided Otherwise - Handbuilt	No		n/a			
Make	OEM	OEM			OEM	Manufacturer of kit	Make identified on the NVIS when provided	OEM Make of body and chassis					
Model Year	Kit	Donor Engine	From Kit or Salvaged Vehicle	Kit	Kit	Kit	Year identified on the NVIS when provided	Year body and chassis		n/a			
Vehicle Status	Normal Clear	Rebuilt	Amalgamated	Normal	Rebuilt - Reassembled	Reconstructed	Normal/Clear – with NVIS Artis - Handbuilt	Normal		n/a			
Model	GLIDER	GLIDE	GLIDER	GL	GKT	Glider	As indicated on the NVIS when provided	OEM Model of body and chassis		n/a			
VIN	AB Assigned except Western Star	BC Assigned – last 8 digits taken from GIN	MB Assigned	Most visible to law enforcement . Others to be noted in the history.	Kit	2 VINs on registration Kit vin as primary Donor Vehicle as secondary	Kit GIN, when NVIS is provided QC Assigned	OEM or SK Assigned VIN		n/a			
Inspection Type Required		CVIP (not structural integrity)		Certified Engineer	Safety Standards Certificate	PMVI	None when NVIS is provided Engineer	Periodic Motor Vehicle Inspection (PMVI)		n/a			

Appendix D - Summary of Working Group Discussion

Data Source		Discussion	Working Group Recommendation			
Vehicle Description	Current source is the NVIS Options:	The NVIS is intended for the registration of only newly manufactured vehicles • A truck rebuilt with a glider kit is a combination of new and used components • Issuing a NVIS for gliders is contrary to the intended purpose • These vehicles are being erroneously registered as newly manufactured based upon the NVIS • Manufacturers have indicated a preference for a national policy on the use of a NVIS for glider kits Glider Kit Year of Manufacture	 Eliminate the NVIS for Glider Kits CCMTA formally request OEMs to discontinue issuing a NVIS for glider kits Request OEM to issue document similar to Draft "Glider Kit Document" provided by Daimler No Consensus – requires further 			
rear	Glider Kit Year of Manufacture Model Year of Engine Donor Vehicle	Strong rationale was presented for using the year of Kit manufacture and for Model Year of the engine. See previous section for details.	discussion			
Model	Options: GLIDE or some version of Glider Kit model	 Using some version of "Glider" clearly indicates the vehicle has been rebuilt using a Glider Kit Indicates to those in the know that the major drivetrain components are used 	Consensus: Some Version of Glider: Glide GKit GL Glider			
VIN	Jurisdiction Assigned VIN Glider Identification Number (GIN) Donor Vehicle VIN	The manufacturer assigned Glider Id Number (GIN) as entered on a NVIS is not recognized by Transport Canada as a valid VIN Component parts may have been salvaged from more than one vehicle Donor vehicle may have Salvage (S) or Non-repairable Status (D) Ensures these vehicles come to	Consensus: Jurisdiction assigned VIN* *Manitoba will use its own unique 11 digit VIN comprised of MBPSGIN plus 4 digits. *If possible keep last 8 digits of GIN or Donor as last 8 digits of Assigned VIN to maintains continuity			

Glider Kits – Heavy Commercial Trucks

Data	Source	Discussion	Working Group Recommendation
		jurisdiction authorities for review and inspection GIN may not decode generates error message	
Vehicle Status	R - REBUILT	Vehicle is constructed from used drivetrain components Intent of the program is to rebuild a damaged donor vehicle Protects future buyers of the vehicle Complies with Transport Canada and NHTSA program guidelines In line with US jurisdictions (Reconstructed/Rebuilt)	Consensus: A status to indicate that the vehicle is composed of new and used components: Rebuilt Amalgamated Reassembled Artis Manitoba deferring to Model Descriptor to identify alternate status. Vehicle Status will show as NORMAL. Future discussion to consider Handbuilt/Artis status

June 8, 2015 Page 20 of 25

Appendix E - British Columbia's Experience with Engine Model Year

BC has been registering these vehicles with the engine model year for the past 18 months. In addition the vehicle registry has been updated and BC VINs assigned for all previously registered glider kit built trucks with model years beginning at 2009. The process is nearly complete.

Experience to date follows:

- Many customers were not given complete information from dealers and truly believed they had purchased a truck that was fully compliant with CMVSS;
- Some expressed they feel duped by dealers who told them the value of the vehicle is the same as current model year truck;
- Some customers are reluctant to accept the model year of the engine; however, to date all have complied;
- Customers who intend to keep vehicle over the long term have indicated they don't care about the vear:
- Customers who have had newly manufactured transmissions and drive axles have complained that dealers did not explain the program criteria;
- Customers who want the pre-emissions engines say the model year doesn't matter it is the engine they want together with a new cab;
- Many of the cabs are highly customized and only available by purchasing a glider kit;
- An "Argosy" model is only available in North America as a glider;
- Those bidding on contracts for logging or road maintenance have expressed concern as their contract requires vehicles of a specific year or newer;
- The majority of these vehicles have been built with current safety requirements such as ABS, slack adjusters, and lighting set-ups and other safety features as it is in their best interest;
- Appraisals have been carried out in consideration of the model year of the engine. Appraisers realize
 the value of the engine to the industry & the degree of customization of the kits and take this into
 consideration. Using only the Model with a current model year would not give them the specs on
 the vehicle necessary to provide a fair appraisal;
- Dealers call Vehicle Registration Programs at all stages throughout the build process to ensure the completed vehicle is compliant and can be registered as soon as the inspection process is completed;
- This department has been in discussion with dealers and owners regarding financing matters. The
 owner and dealer are responsible to provide an accurate description of the vehicle to the financier.
 There should be full disclosure at the application stage;
- How a vehicle is registered does not determine the value for financing. Any information regarding
 the build of the vehicle to be financed is between the customer, dealer and financier. Financing
 occurs before registration;
- Insurance on these vehicles is based on a value declared by the owner. They have documentation to support the value in event of a crash;
- The Commercial Vehicle Safety Enforcement Branch of the Ministry of Transportation oversees vehicle inspections and have advised the year has little bearing on the inspection process in BC.

June 8, 2015 Page 21 of 25

Appendix F – California - Current Registration Policy & Procedures for Kit Vehicles

Registration Requirements for Home Made Specially Constructed or Kit Vehicles

A "home-made, specially constructed, or kit vehicle" is a vehicle that is built for private use, **not** for resale, and is **not** constructed by a licensed manufacturer or remanufacturer. These vehicles may be built from a kit, new or used parts, a combination of new and used parts, or a vehicle reported for dismantling (junked) that, when reconstructed, does not resemble the original make of the vehicle that was dismantled.

A specially constructed vehicle (SPCNS) **does not** include a vehicle that has been repaired or restored to its original design by replacing parts or a vehicle modified from its original design.

Example: A Volkswagen "Beetle" with modified fenders, engine compartment lid, and front end, but still recognizable as a Volkswagen is not considered a specially constructed vehicle.

NOTE: The registration requirements for kit commercial vehicles are the same as for specially constructed vehicles.

The Registration Requirements are:

- A completed Application for Title or Registration (REG 343)
 https://www.dmv.ca.gov/portal/dmv/?1dmy&urile=wcm:path:/dmv_content_en/dmv/forms/reg/reg343.
- A vehicle verification done by the California Highway Patrol (CHP). You must start your
 application process with the DMV prior to contacting the CHP for a vehicle verification. DMV
 verifies trailers with an unladen weight of 6,000 pounds or less.
- A completed Statement of Construction (REG 5036)
 https://www.dmv.ca.gov/portal/dmv/?1dmy&urile=wcm:path:/dmv_content_en/dmv/forms/reg/reg5036.
- Proof of ownership, such as invoices, receipts, manufacturers' certificates of origin, bills of sale, or junk receipts for the major component parts (engine, frame, transmission, and body).

NOTE: A motor vehicle bond is required when proof of ownership cannot be obtained for parts valued a \$5,000 or more.

Official brake and light adjustment certificates. When an official brake and light station that
inspects specific vehicles such as motorcycles and large commercial vehicles is not located

June 8, 2015 Page 22 of 25

within a reasonable distance, DMV will accept a Statement of Facts (REG 256) from a repair shop attesting that the brakes and lights are in proper working order. Brake and light certificates are not required for off-highway vehicles or trailers weighing **less than** 3,000 pounds gross vehicle weight.

- A weight certificate for commercial vehicles weighing 10,000 pounds or less.
- An emission control inspection (smog check) by a Bureau of Automotive Repair (BAR) Referee Station. Click here for information on SPCNS Certificates of Sequence. To make an appointment at a BAR Referee Station, call 1-800-622-7733.

How to Register a Specially Constructed Vehicle Checklist

The requirements for registering a vehicle built for private use, not for resale, built by someone other than a licensed manufacturer or remanufacturer are:

- A completed Application for Title or Registration (REG 343).
- A vehicle verification by an authorized DMV employee. Bring your vehicle to a DMV office for verification.
- A completed Statement of Construction (REG 5036).
- Bills of sale and/or receipts for major component parts (the engine, frame, transmission, and body).
- If the vehicle is a trailer constructed from a purchased kit, the Manufacturer's Certificate of Origin or a receipt or invoice identifying the kit purchased.
- Official Brake and Light Adjustment Certificates.
- A weight certificate from a California Certified Public Weighmaster, if the vehicle is a pickup or truck.
- A Smog Certification.
- Registration fees.

Additional information regarding registration requirements for specially constructed vehicles:

Specially Constructed Vehicles Emission Control

Existing law requires most 1976 and newer model year vehicles to pass an emissions control inspection (smog check) prior to original registration, transfer of ownership, and every second annual renewal. Since specially constructed vehicles (SPCNS) are homemade and do not have a manufacturer-assigned year model of the vehicle or they must be taken to a Bureau of Automotive Repair (BAR) Referee Station

June 8, 2015 Page 23 of 25

for the original inspection. Upon completion of the inspection, the referee will affix a tamper-resistant label to the vehicle and issue a certificate that establishes the year model for future inspection purposes.

What is an SPCNS Certificate of Sequence?

An SPCNS certificate of sequence identifies a vehicle as one for which the owner may choose an emission control inspection based on the year model of the vehicle or the engine used in the vehicle (If the vehicle or engine does not resemble one previously manufactured, the referee will assign 1960 as the year model). The certificate is issued by DMV headquarters and will be mailed 7-10 working days after the application is accepted by your local DMV. The certificate must be presented to the BAR Referee Station at the time of inspection.

Per California Vehicle Code §4750.1, only 500 certificates can be issued in a calendar year. Once the yearly allotment has been issued, vehicles will be assigned a year model matching the calendar year in which the application is submitted or applicants must wait until the following year to apply for a certificate.

Note: Due to the limited number of SPCNS certificates of sequence available, you may wish to submit your application for registration in person at a local DMV office.

Previously registered vehicles may be included as one of the first 500 applicants in a calendar year and apply for a different year model determination.

An SPCNS certificate of sequence cannot be transferred to a different vehicle or reissued in someone else's name. If the vehicle is sold before the application complete, the seller of the vehicle must provide the buyer with the SPCNS certificate of sequence along with the bill of sale and any additional registration documents. In addition, fees deposited in one calendar year cannot be held over for the next year's allocation of certificates.

An SPCNS certificate of sequence cannot be reissued if the record shows a smog exempt status and the original State of California Bureau of Automotive Repair (BAR) Vehicle Information Label is not affixed to the vehicle for:

- SPCNS nonresident vehicles with a vehicle record showing a smog exempt status.
- Buyers registering a vehicle as SPCNS with smog exempt status on the record.

In these cases, the owner must take the vehicle to BAR.

June 8, 2015 Page 24 of 25

Appendix G - Working Group Members

Mark Bari, Société de l'assurance automobile du Québec (SAAQ)

Harold Blaney, Société de l'assurance automobile du Québec (SAAQ)

Kevin Cameron, Manitoba Public Insurance (MPI)

David Chau, Ontario Ministry of Transportation

Mario Demers, Transport Canada

Mark Francis, Insurance Corporation of British Columbia (ICBC)

Karen Kowal, Insurance Corporation of British Columbia (ICBC)

Stephanie Lines, Transport Canada

Dwayne Stride, PEI Department of Transportation, Infrastructure and Energy

Maureen Tetzlaff, Ontario Ministry of Transportation

Ian Tomlinson, Canadian Council of Motor Transport Administrators (CCMTA)

Jeffery Turner, Ontario Ministry of Transportation

Chris Yanitski, Alberta Transportation

June 8, 2015 Page 25 of 25