



Canada: Ontario Government Introduces Legislation to Ban Drivers from using of Handheld Devices in Vehicles

Lucy Latka
Robin Dunbar
November 08

BACKGROUND

On October 28, 2008 the Ontario provincial government introduced a bill proposing a ban on the use of hand-held devices to talk, text, or email while driving, creating opportunities for U.S. providers of Bluetooth devices and/or hands-free devices or systems. Under the proposed legislation, police would be able to charge drivers who use a hand-held cell phone, send email or text messages, or use other hand-held electronic devices while driving. If passed, the Countering Distracted Driving and Promoting Green Transportation Act would prohibit the use of any device with a display screen if the screen is visible to the driver, such as portable video games or DVD players.

"Eyes on the Road, Hands on the Wheel"

Similar laws banning the use of hand-held devices in vehicles are already in place in the Canadian provinces of Quebec, Nova Scotia, and Newfoundland and Labrador. Use of hand-held cell phones while driving has been banned in Newfoundland and Labrador since April 2003 and in Nova Scotia since April 2008. The province of Quebec ban was fully effective July 1, 2008. Upon the announcement of the new Bill, Jim Bradley, Ontario Transport Minister, stated that the idea behind the proposal was not to punish drivers, but to prevent collisions and tragedies on the roads before they occur. Transport Canada estimates that driver distraction is a contributing factor in approximately twenty percent of all collisions and that a driver who uses a cell phone is four times more likely to be in a crash than a driver who is focused on the road. Studies have also shown that driver distraction is a contributing factor in eight out of every ten police-reported crashes.

BILL 118: COUNTERING DISTRACTED DRIVING AND PROMOTING GREEN TRANSPORTATION ACT

Bill 118 proposes amendments to the Ontario Highway Traffic Act to prohibit the use of devices with display screens and hand-held communication and entertainment devices and to the Public Vehicles Act with respect to car pool vehicles. The first reading of the Bill occurred on October 28, 2008. The Bill must pass the third reading and receive royal assent to become law. The provincial Liberal party introduced the bill and currently holds a majority government. Thus, passing of the Bill is most likely to occur and in the next few months. Under this legislation, drivers would only be permitted to use their hand-held devices when pulled safely off the roadway therefore use of a hand-held device at a red traffic light or when stopped in traffic would be prohibited under this Act. Drivers would be permitted to place emergency 911 calls to the police, fire department and emergency medical services, but should pull off the road before making such a call if at all possible.

Prohibited while driving:

- Hand-held wireless communications devices such as cell phones and smartphones.
- Hand-held electronic entertainment devices such as portable MP3 players or portable games.
- Texting and emailing.
- Viewing display screens on devices not required for driving such as a laptop or DVD player.

Allowed while driving:

- Hands-free wireless communications devices with an earpiece or Bluetooth device.
- 911 calls.
- Pressing the button of a hand-held device to activate hands-free mode for incoming/outgoing calls.
- GPS units mounted on dashboards/windshields.
- Collision avoidance systems.
- Logistical transportation tracking devices used for commercial vehicles.

Exempted from the proposed legislation are emergency services personnel such as police, fire and ambulance.

Drivers who break the law could face fines of up to \$500 and those who place others at risk as a result of using a hand-held device can be charged with careless driving and fines of up to \$1,000, six demerit points, a driver's license suspension, and possible jail time. Penalties of up to \$2,000 and five years in jail could be faced if the charge escalates to dangerous driving.

OPPORTUNITIES FOR U.S. COMPANIES

The proposed ban of hand-held devices in vehicles in Ontario will create several business opportunities for U.S. companies who provide Bluetooth devices and hands-free devices or systems. The new law would still permit the use of devices with hands-free functionality and companies who provide these products have the opportunity to step in and provide consumers with a way to maintain their communication capabilities while complying with the new law when it comes into effect.

The wireless accessories market experienced boosts in sales during the time of implementation of similar laws in Quebec, Nova Scotia, and Newfoundland and Labrador. Future Shop and Fido claimed to see a rise in sales of hands-free devices, such as Bluetooths, in Quebec where a ban similar to that proposed by Ontario was implemented. AutoMobility in Montreal saw sales of earpiece devices increase to ten times the amount of sales prior to the ban, while their sales of aftermarket install systems for vehicles doubled. In Nova Scotia, sales of hands-free and Bluetooth devices also increased a few weeks before introduction of the ban. The Rolling Phones in Cape Breton, Nova Scotia claim the increase has continued ever since the ban and that their headsets are selling so fast that the store is having trouble keeping them in stock.

The next few months is the ideal time for providers of hands-free accessories and systems to hold various promotions related to the proposed legislation. U.S. companies who provide hands-free and Bluetooth devices or wireless aftermarket systems and software for vehicles are in an excellent position to capitalize on this potential increase in sales in Ontario as well as the provinces that already have bans in place. It is predicted that Bluetooth product sales will increase and customers will respond much more positively to features like voice-recognition/activation and quick-button functions. Companies that tailor products and campaigns toward these features should expect to benefit significantly from this proposed legislation.

Canada First – Building Bridges to Prosperity

For More Information

The U.S. Commercial Service in Ottawa, Canada can be contacted via e-mail at: lucylatka@mail.doc.gov; Phone: 613-688-5219; Fax: 613-238-5999; or visit our website: www.buyusa.gov/Canada.

The U.S. Commercial Service — Your Global Business Partner

With its network of offices across the United States and in more than 80 countries, the U.S. Commercial Service of the U.S. Department of Commerce utilizes its global presence and international marketing expertise to help U.S. companies sell their products and services worldwide. Locate the U.S. Commercial Service trade specialist in the U.S. nearest you by visiting <http://www.export.gov/eac>

Comments and Suggestions: We welcome your comments and suggestions regarding this market research. You can e-mail us your comments/suggestions to: Customer.Care@mail.doc.gov. Please include the name of the applicable market research in your e-mail. We greatly appreciate your feedback.

Disclaimer: The information provided in this report is intended to be of assistance to U.S. exporters. While we make every effort to ensure its accuracy, neither the United States government nor any of its employees make any representation as to the accuracy or completeness of information in this or any other United States government document. Readers are advised to independently verify any information prior to reliance thereon. The information provided in this report does not constitute legal advice.

International copyright, U.S. Department of Commerce, 2008. All rights reserved outside of the United States.