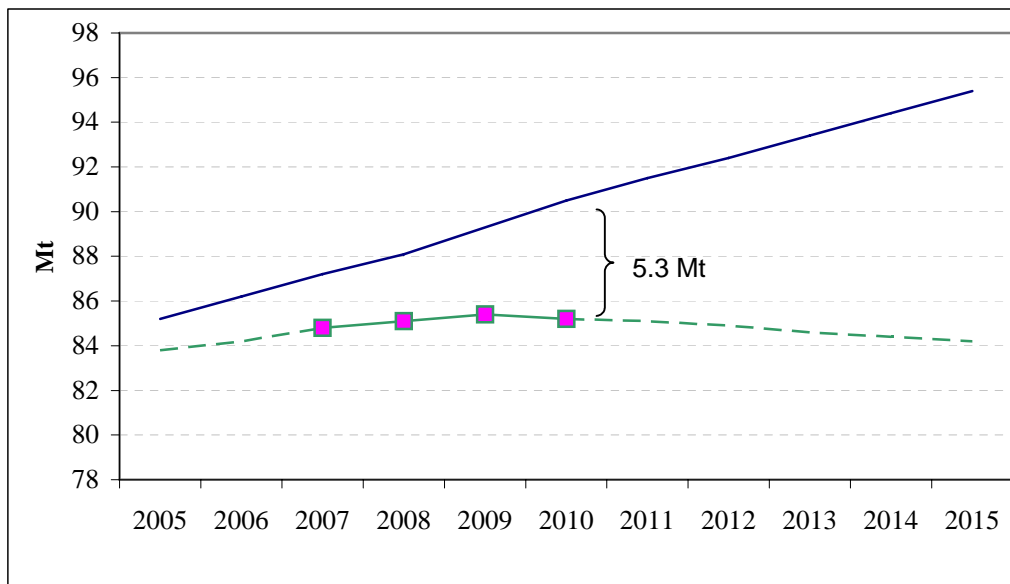


Interim Goals and 2010 Target

Memorandum of Understanding between the Government of Canada and the Canadian Automotive Industry respecting GHG Emissions from Light Duty Vehicles

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Baseline Mt	85.2	86.2	87.2	88.1	89.3	90.5	91.5	92.4	93.4	94.4	95.4
New Emissions Mt	83.8	84.2	84.8	85.1	85.4	85.2	85.1	84.9	84.6	84.4	84.2
Reduction Mt	1.4	2.0	2.4	3.0	3.9	5.3	6.4	7.5	8.8	10.0	11.2



The Memorandum of Understanding (MOU) on light duty vehicle GHG emissions includes interim emission reduction goals of 2.4 Mt in 2007, 3.0 Mt in 2008 and 3.9 Mt in 2009, to be measured against the Reference Case for the subject year, in addition to the 2010 target of 5.3 Mt. These interim goals and their impact on total light duty vehicle greenhouse gas emissions, compared to the Reference Case emissions forecast, are shown in the chart above. The Committee to be established under the MOU will use these emissions forecasts to track progress towards the interim goals and the target.

Commencing in 2005, the industry will report its projections for GHG emissions for the coming model year by November 30. Actual performance shall be reported for each model year by May 31 of the year following.

While the MOU is in effect until 2010, the introduction of the enhanced technologies it would foster will lead to growing reductions in greenhouse gas emissions after 2010 as new vehicles replace older ones in the vehicle stock. The chart above shows the order of magnitude of these impacts, based on the assumption that there would be no further improvements in the average new vehicle GHG emission performance beyond 2010.