



Dougald Lamont

MLA St. Boniface / Député Saint-Boniface
Leader of the Manitoba Liberal Party / Chef du parti Libéral du Manitoba

Manitoba Liberal Caucus 169-450 Broadway Ave R3C 0V8

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Dear Premier Pallister and Minister Wharton,

On March 15, MPI cancelled the collision industry's trade agreement, leaving 232 small Manitoba businesses without a deal.

We are writing to ask that you act immediately to appoint a conciliator or arbitrator in order to resolve this dispute fairly.

We are especially concerned that, at a time when repair shops are struggling after a year of pandemic, that MPI will undercut that recovery by using its monopoly "bully pulpit" to strong-arm the collision industry into an unfair deal. This must be avoided.

There are a number of critical issues here.

- The number of accredited repair shops in Manitoba has declined by over 70 since 2011 and further declines are imminent as 20 per cent of shops are losing money. Repairs and maintenance are essential to keeping the economy running. The fewer repair shops we have functioning the longer it takes people to get back on the road.
- Manitoba shops are the least profitable in Canada. This is a direct consequence of the agreements set by MPI.
- The collision industry has third-party analysis by BDO and Price, Waterhouse, Coopers. A PWC report was commissioned by ICBC and highlights the dismal state of the collision repair industry in Manitoba.

Having a publicly-owned Crown Corporation in charge of auto insurance comes with trade-offs.

The first trade off is that, as a monopoly, MPI needs to be kept on a tight leash by the Public Utilities Board. MPI also has multiple responsibilities, all of which need to be balanced:

- All Manitobans, as owners of MPI
- Ratepayers and customers
- Brokers, as sales agents
- The collision industry

Over the last year, MPI has lowered rates, issued \$179-million in rebates, and settled a deal with Brokers while laying off staff. MPI cannot do its job without customers and brokers, Manitobans can't do their jobs or get to school or work without the collision industry.

Respectfully,

Dougald Lamont, MLA St. Boniface