**BOMBARDIER**

CORPORATE OFFICE
Bombardier Inc.
800 René-Lévesque Blvd. West
Montréal, Québec, Canada H3B 1Y8
www.bombardier.com
TEL514-861-9481
FAX514-861-7053

BY E-MAIL AND MESSENGER

June 27th, 2007

THE CANADIAN SECURITIES ADMINISTRATORS
C/O John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8

- and –

C/O Anne-Marie Beaudoin, Directrice du secrétariat
Autorité des marchés financiers
Tour de la Bourse
800, square Victoria
C.P. 246, 22e étage
Montréal, Québec, H4Z 1G3

Dear Sirs:

Re: Comments on revised National Instrument 52-109 ("NI 52-109")

We write to you in reply to the Notice and Request for Comments – Proposed Repeal and Replacement of MI 52-109, Forms 52-109F1, 52-109FT1, 52-109FT2, and Companion Policy 52-109CP Certification of Disclosure in Issuers' Annual and Interim Filings (the "**Request for Comments**"), issued by the Canadian Securities Administrators ("**CSA**") on March 30th, 2007. We wish, on behalf of Bombardier Inc., to comment on some of proposed changes and questions addressed in the Request for Comments. We understand that our comments will be distributed to the other participating CSA.

While we have purposefully not addressed all questions, we have for convenience followed the questions set forth in the Request for Comments.

General Comments

- We support the principle that companies report on their controls and procedures with respect to financial reporting.

- We support the CSAs' decision not to follow the U.S. requirements, which require the external auditor to opine on management's assessment of ICFR.

- We support the top-down, risk based approach to internal control certification and acknowledge that it is a cost effective measure.

CSAs Questions

1. *Do you agree with the definition of "reportable deficiency" and the proposed related disclosures? If not, why not and how would you modify it?*

    - The definition does not provide any "materiality" test in relation to the impact on the financial reporting or preparation of financial statements. The definition should be amended to clarify what is meant by "materiality". We suggest that all certification and reporting requirements set forth in NI 52-109 require that an issue be "material" in light of the nature and complexity of the affairs of the issuers.

    - The term "reasonable assurances" remains undefined in New MI 52-109 and in the related Companion Policy. In light of the previously very onerous CICA interpretation (remote likelihood test), the meaning of this term should be clarified and not be left to the interpretation of CICA or other interested party. We note with some interest that the U.S. Securities and Exchange Commission has interpreted the term "reasonable assurance" as not meaning absolute assurance but rather such level of detail and degree of assurance as would satisfy prudent officials in the conduct of their own affairs."[1] We believe the CSA should adopt this standard, which is for all intent and purposes the Canadian corporate law standard applicable to the conduct of directors.

2. *Do you agree that our proposal to provide a scope limitation in the design of DC&P and ICFR for an issuer's interest in a proportionately consolidated investment or variable interest entity is practical and appropriate? If not, please explain why you disagree?*

    - We agree with this scope limitation but believe that it should be clarified on a number of issues.

[1] Securities and Exchange Commission, Proposed interpretative guidance for management regarding its evaluation of ICFR (17 CFR Parts 210, 240 and 241), December 20, 2006 , Page 15.

- There is no specific reference to portfolio or equity investments. We believe that they should always be excluded from the requirements of NI 52-109 as the issuer might not have sufficient control over the management and the affairs of the entity to ensure compliance with DC&P and ICFR. Consequently the scope limitation should not have to be used in respect of such investments and legal entities.

- Further we believe that VIEs that are not consolidated in issuer's financial statements under applicable GAAP should always be excluded from the requirements of NI 52-109. Those that are consolidated, should be treated like proportionally consolidated entities.

- Summary financial information for proportionally consolidated entities should not have to be disclosed on an individual entity basis. It should be allowed to disclose such information in aggregate for all proportionally consolidated entities that constitute the scope limitation. We believe that aggregate information will provide sufficient information to readers of the financial statements to allow them to ascertain the extent of the scope limitation. Disclosing information by individual entity adds little, if any, value. Therefore we believe that financial information concerning proportionally consolidated entities should be provided only, in aggregate, if it is material in accordance with GAAP.

3. *Do you agree that our proposal to allow certifying officers to limit the scope of their design of DC&P or ICFR within 90 days of the acquisition of a business is practical and appropriate? If not, please explain why you disagree?*

- We agree with this proposal but strongly believe that the 90-day time period is too short. It is unrealistic to believe that in the context of a due diligence process, a purchaser (bidder) will thoroughly assess all corporate controls and procedures, nor that it will be allowed by the seller to conduct such an extensive assessment. Moreover, such assessment often requires the assistance of the external auditor, who is usually not involved in the due diligence per se. Companies or business units being acquired may be in jurisdictions were equivalent regulations may not exist.

- In light of the inherent complexities of this issue, particularities of each organization and of the added complexities of cross-border transactions, we believe that the scope limitation period should be available for the two fiscal years of the issuer following the year of acquisition. When the context allows, we believe that issuers will often be in a position to fully comply earlier, and that indeed, they will have a strong incentive to do so in order to remove the "stigma" of maintaining a scope limitation in their certification longer than it need to be. This being said, the flexibility is absolutely required.

- If the purchased entity is an issuer already subject to NI 52-109 or Sarbanes-Oxley, the scope limitation period could be reduced to one full fiscal year following the year of the acquisition.

4. *Do you agree that the nature and extent of guidance provided in the Proposed Policy, particularly in Parts 6, 7 and 8, is appropriate? If not, please explain why and how it should be modified?*

   - In general, the companion policy is a useful tool.

   - Guidance should be given on the definition of "change in the issuer's ICFR" as to what constitutes a change and as to applicable materiality. For example, would the application of new accounting standards and related implementation of internal controls constitute material changes in ICFRs. In this particular case, our view is that it should not. Furthermore, the case of a decision tree might be helpful to clarify the requirements.

5. *Are there any specific topics that we have not addressed in the Proposed Policy on which you believe guidance is required?*

   - Proposed Certification Form is long and complex. To the extent possible, the NI 52-109 or other securities regulations should require deviations or reporting to be made in the MD&A. This would allow paragraphs 5.2, 5.3 and 5.4 of the Certification Form to be simplified or eliminated altogether by simply referring to the MD&A.

   - Guidance on applicable "control framework" is misleading considering that on one hand the CSA specifically state that issuers are not required to adopt a specific framework while at the same time it requires that if one is used by the issuer, it needs to be disclosed. This issue should be clarified. In our view, to the extent that control framework are not mandatory, paragraph 5.1 of the Form of Certification may be removed.

   - In paragraph 8 of the proposed Certification Form, the CSA should clarify whether reporting of fraud must be made to both the Board of Directors and the Audit Committee. We would submit that it should be sufficient for such reporting to be made to either.

We look forward to the result of this consultation process and remain available to provide clarification on our above comments or to participate further in this process.

Should you want to discuss these comments, please do not hesitate to contact either of the undersigned at (514) 861-9481.

Yours sincerely,

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| Daniel Desjardins<br>Senior Vice President and General Counsel | Pierre Alary<br>Senior Vice President and Chief Financial Officer |