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# Standing Committee on International Trade

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Chair: The Honourable Judy A. Sgro





## Standing Committee on International Trade

Wednesday, February 2, 2022

• (1540)

[English]

**The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)):** I call the meeting to order.

Welcome to meeting number three of the House of Commons Standing Committee on International Trade.

The Board of Internal Economy requires that committees adhere to the following health protocols, which are in effect until February 28, 2022. Anyone with symptoms should participate by Zoom and not attend the meeting in person. Masks must be worn in committee rooms, except when members are at their place during parliamentary proceedings. However, it is strongly recommended that members wear a mask even when they are at their place during parliamentary proceedings. All those inside the committee room should follow best practices of maintaining a physical distance of at least two metres from others and maintaining proper hand hygiene by using the hand sanitizer provided in the committee room and regularly washing their hands well with soap.

As the chair, I will enforce these measures, and I thank you very much for your consideration.

Today's meeting is taking place in a hybrid format pursuant to the House order of November 24, 2021.

I'd like to outline a few rules to follow.

Interpretation services are available. You may speak in the official language of your choice. At the bottom of your screen, you have the choice of either the floor, English or French. If interpretation is lost, please inform me immediately and we will ensure interpretation is properly restored before resuming the proceedings. The “raise hand” feature is on the main toolbar, should you wish to speak. When speaking, please speak slowly and clearly. When you're not speaking, your microphone should be on mute. As a reminder, all comments should be addressed through the chair.

The committee clerk and I will maintain a speakers list, of course, for all of the members.

We are commencing a study on the Canada–United States relationship and its impacts on the electric vehicle, softwood lumber and other sectors.

With us today by video conference are, from the Automotive Parts Manufacturers' Association, Gian Paolo Vescio, general counsel; from Canada's Building Trades Unions, Sean Strickland, executive director; from the Canadian Vehicle Manufacturers' Associa-

tion, Brian Kingston, president and chief executive officer; from Electric Mobility Canada, Daniel Breton, president and chief executive officer; from Toyota Motor Manufacturing Canada Inc., Scott MacKenzie, senior national manager, external affairs; and from Unifor, Angelo DiCaro, director of research, and Shane Wark, assistant to the national president.

Welcome, all.

Up to five minutes will be given for opening remarks, after which we will proceed with rounds of questions.

Mr. Vescio, I now invite you to make your opening statement. Please make sure that you keep within five minutes, after which I will have to cut you off.

Mr. Vescio, the floor is yours. Go ahead, please.

**Mr. Gian Paolo Vescio (General Counsel, Automotive Parts Manufacturers' Association):** Good afternoon. My name is Gian Paolo Vescio. I'm general counsel for APMA. Thank you for having me today.

The Biden administration's Democratic leadership and the United Auto Workers lobby in the U.S. worked together in 2021 to propose a \$12,500 tax credit to consumers for electric vehicles made exclusively in the U.S. by 2027 via the build back better bill, which is now stalled in the Senate. While we were very active in trying to get Democrats to change course on a policy instrument that we considered an existential threat to the Canadian automotive sector, we do not celebrate its current demise. We know that the Biden administration is dedicated to bringing the legislation back in a form that it calculates will pass. The threat of the the incentive still hangs in the balance.

The U.S., in our observation, has turned its bipartisan attention to renewed protectionism under the threat of the rise of China. The EV market is just one element of that focus. Since the proposal first saw its amendments authored by Senator Stabenow of Michigan, we've been working closely with the Canadian embassy in Washington and directly with our congressional network in Washington to articulate to both sides of the aisle that this proposal will have an adverse affect on U.S.-based parts suppliers.

While we're Canada's national trade association for OEM suppliers to the global automotive manufacturing industry, the APMA also represents almost 40 companies that own and operate 156 factories in 18 U.S. states and employ 43,000 Americans. We have warned the American lawmakers that it's a discriminatory trade action that will affect the sector in both countries and will be challenged with vigour.

The arguments for Canadian interests against this proposal have been well articulated and, for that matter, have been well defended by the federal government. The Prime Minister and the trade minister have been leads and the APMA has conducted and supported meetings directly with team Canada. However, our focus in Washington is to appeal to U.S. lawmakers to understand the damage they would be doing to the U.S. auto sector, with the hope that this can gain some real traction for the cause down there.

In Canada, we make two million vehicles a year and we buy two million a year in a normal, non-pandemic year. In the U.S., they make 12 million vehicles annually, but buy 17 million. As a net importer of approximately five million vehicles, the country can accommodate an incredible amount of new production to replace imports it chooses to block.

This is the simple math that supporters of this bill are pursuing, but they are ignoring the way in which the automotive sector has been built over the last 100 years in our two countries. In Canada, the proposal would do irreparable harm to U.S. production investments. In addition to that fact, the three U.S.-based automakers—allowing for Chrysler and Dodge's Parisian headquarters—make one million vehicles here for U.S. consumers annually, in a non-pandemic year. They also contain 50% U.S. parts and 60% U.S. raw materials. All told, five assemblers export 80% or 1.6 million vehicles a year from Canada to the U.S.

They will all be hurt by this, especially their U.S. suppliers. We have been clear to the White House in written communication that this is not a smart move if the objective is to boost American automotive fortunes.

In the CUSMA agreement that was recently negotiated between the U.S., Canada and Mexico, we jointly agreed to and introduced the highest regional value content minimums in history, designed to drive increased business to local auto parts and raw materials suppliers.

If the U.S. passes this proposed tax credit scheme, it will nonsensically incentivize reducing purchases from U.S.-based suppliers. A vehicle built in one U.S. state that is destined for another U.S. state does not cross a border. It is not an export under the CUSMA and is not subject to any RVC compliance requirements. Because of this, U.S.-based vehicle assembly will surely reduce U.S. content in pursuit of now-permitted low-cost offshore parts alternatives for their vehicles. With no tariff threat used to source locally, the biggest winners would be suppliers from countries like China, Vietnam, Malaysia and other non-U.S. interests.

We've been very clear about this in our in-person lobby campaign on the Hill since November. As I reflect on some of the meetings that I've had with Senator Ossoff, Senator Warnock from Georgia and the APMA's dozen or so meetings with senators and con-

gressional reps from both parties, we know there is time for the U.S. to reconsider its course of action. However, we have decided to not just focus on reminding them of their trading obligations to us, but to focus on the health and sustainability of the U.S. automotive parts sector, which, through this measure, we feel has been ignored in a misguided attempt to satisfy a special interest, single purpose labour partner.

Thank you.

● (1545)

**The Chair:** Thank you very much, Mr. Vescio.

Mr. Strickland, you have five minutes, please.

**Mr. Sean Strickland (Executive Director, Canada's Building Trades Unions):** Thank you very much, Madam Chair. It's a pleasure to be here this afternoon.

Thank you for the opportunity to provide some remarks on the build back better legislation and the potential impact it could have on Canada's electric vehicle industry, and how construction and building trades workers fit into that mix.

My name is Sean Strickland. I'm the executive director of Canada's Building Trades Unions, part of North America's Building Trades Unions. We represent 14 international construction unions, with offices in Washington, D.C., and Ottawa. The combined membership of NABTU and CBTU is over three million unionized construction workers, of which 600,000 are in Canada.

The women and men of the building trades are employed in constructing everything from small projects through to large multi-billion dollar projects right across Canada. The construction and maintenance sector annually represents approximately 6% of Canada's GDP. Skilled trades workers are often later employed in the operation, renovation, maintenance and repurposing of plants, factories and facilities—our members and contractors build it and maintain it.

I want to commend the work of the government on the issue thus far, for speaking up quickly and strongly against the EV credits and the potential harm they will cause.

On behalf of Canada's Building Trades Unions, we recommend that the Canadian government continue to advocate for the removal of electric vehicle tax credits that incentivize U.S.-made vehicles to the detriment of the Canadian automobile manufacturing industry; that we also develop a made-in-Canada supply chain, from mining to the manufacturing floor, for EV battery production to support our transition to net zero; and, that the Canadian government continue to ensure the U.S. upholds their commitment to our existing trade agreements, including CUSMA, the "Roadmap for a Renewed U.S.-Canada Partnership" that was signed last year by President Biden and Prime Minister Trudeau, and the U.S.-Canada critical minerals action plan.

Unfortunately, as we all know, and as you've heard from previous speakers, President Biden and the U.S. administration have committed to protectionist measures like buy America and, more recently, build back better. These protectionist measures aren't new. Throughout our long history and relationship, Canada and the U.S. have been dealing with trade matters and irritants despite agreements that have been signed by both countries. For Canadians, this is particularly frustrating.

Yes, we are two countries, but for the automotive industry, we are one supply chain that's mostly seamlessly integrated across both borders, and thousands of building trades skilled trades workers are employed on both sides of the border, keeping the industry rolling. As an example, as a small sample size, in Canada, on average, building trades members work between 170,000 and 200,000 people hours at the Toyota plants in Cambridge and Woodstock, Ontario. This represents approximately \$170 million to \$200 million in wages and benefits. There are another 55,000 people-hours at the GM plant in St. Catharines, in addition to thousands more man-hours in the automotive industry right across Ontario, Quebec and the rest of Canada.

The United States-Canada auto industry, as we know, is one of the most integrated industries in the world. In border areas such as Michigan and Ontario, a vehicle's auto parts routinely cross the border six times before final assembly, in a business that is worth at least \$100 billion a year in trade between both nations.

For these reasons and more, in the view of North America's Building Trades Unions and Canada's Building Trade Unions, and on behalf of our three million strong workforce in both countries, we believe that Canada—and we're working hard—should be exempt from these U.S. EV credit provisions

There are some additional considerations.

Currently in Canada, our tax credit for purchasing electric vehicles applies to U.S.-made cars as well. The U.S. should do the same. Also, the new EV tax credits include an additional credit for \$4,500 for vehicles built at unionized plants. Canada's unions are just as strong—in some cases stronger—and labour standards just as equal as they are in the United States, so we're aligned.

Canada has committed to a target of 100% of new automotive sales being zero-emission by 2035. This is also aligned with U.S. climate goals. Interestingly, the American Automobile Labelling Act clearly identifies Canadian auto production as domestic production in the U.S., because of our interconnected relationship.

When we look at these issues more closely, we obviously have more alignment than misalignment between the U.S. and Canada around the ultimate goal in this whole debate and discussion: transitioning to low-emission vehicles and reducing the world's carbon footprint. Surely, both countries can find a way to work more collaboratively on this EV tax credit issue to construct good policy that works for Canada, the U.S. and the environment.

• (1550)

Moving beyond trade and towards the economies of the future, Canada must also develop a made-in-Canada supply chain, from mining to the manufacturing floor, for EV battery production. There is a large economic opportunity to position Canada as a leader in EV manufacturing and production while simultaneously reducing our carbon footprint to net zero. We need to continue to stand up for good Canadian jobs and fight unfair trade practices at every corner.

Thank you.

**The Chair:** Thank you very much, Mr. Strickland.

We're moving to Mr. Kingston for five minutes.

Go ahead, please.

**Mr. Brian Kingston (President and Chief Executive Officer, Canadian Vehicle Manufacturers' Association):** Good afternoon, Madam Chair and committee members.

Thank you for the invitation to take part in your study here today on the Canada-U.S. relationship and its impacts on the electric vehicle, softwood lumber and other sectors.

The Canadian Vehicle Manufacturers' Association—CVMA—is the industry association representing Canada's leading manufacturers of light- and heavy-duty motor vehicles. Our membership includes Ford Motor Company of Canada; General Motors of Canada Company; and Stellantis, FCA Canada.

CVMA members are at the forefront of new automotive investment in Canada. Over the past two years, Ford, General Motors and Stellantis have announced \$6 billion in investment, which will create 3,700 direct jobs and tens of thousands throughout the auto supply chain. Over \$4 billion of that investment has been earmarked for electric vehicle assembly right here in Ontario.

These investments are part of an unprecedented technological transformation taking place right now in the auto industry. Automaker investments in electrification alone are estimated to be U.S. \$515 billion over the next five to 10 years, with the number of EVs available to Canadians expected to reach more than 120 models by 2023.

The transition to electrification is simply not possible without ambitious government efforts to address the well-documented barriers to EV adoption. Reducing the price gap between EVs and a traditional internal combustion engine vehicle is the single most powerful tool to help consumers make that switch to electric.

For that reason, the CVMA is a strong supporter of proposals to spur the adoption of EVs. Without large-scale changes in consumer behaviour, supported by incentives, it will be impossible for the U.S. or Canada to achieve their EV sales targets of 50% of new vehicle sales by 2030.

Proposals like the U.S. EV tax incentive in the build back better act will support the transition to EVs, but since we don't know what a revised U.S. credit will look like, it's difficult to say at this point what the impact will be on Canadian production. We urge the federal government to undertake a detailed analysis of the U.S. EV tax incentive on the auto industry to help inform potential solutions and proposals.

As you've heard from some of the previous witnesses, the auto industry is highly integrated throughout North America, and due to that highly integrated nature, the CVMA and our member companies support policies that align with and enhance further North American integration. Given the recently implemented CUSMA, there is a strong argument to be made for an EV incentive that supports CUSMA-region EV production.

At the same time, we should be taking actions now to support the transition to EVs and enhance our competitiveness as a manufacturing jurisdiction. Competition for job-creating investment is fierce, and we need to get serious about creating a competitive manufacturing environment. We recommend the following actions.

First, match U.S. EV adoption policies. It's critical that Canada's EV policies be aligned with those in the U.S. to support the consumer transition to EVs, including those on consumer incentives and charging infrastructure. Canada must be prepared to both continue and increase—

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ):** I have a point of order, Madam Chair.

The volume of the interpretation channel is much lower than the floor volume.

Thank you.

[*English*]

**The Chair:** Just give us a moment.

Can you say a few words, Mr. Kingston, and we'll try the translation again?

**Mr. Brian Kingston:** I'm Brian Kingston, Canadian Vehicle Manufacturers' Association, coming to you from Ottawa....

• (1555)

**The Chair:** Mr. Savard-Tremblay, do you have a headset there? Please put it on. That's wonderful. Thank you very much.

We'll try it one more time.

Mr. Kingston, would you say a few words, please?

**Mr. Brian Kingston:** Testing. Brian Kingston, Canadian Vehicle Manufacturers' Association, Ottawa, Ontario.

**The Chair:** Thank you.

Is it okay, Mr. Savard-Tremblay?

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Could you do the test again with both of you speaking at the same time? There was a slight delay. Could the test be done when there's simultaneous interpretation?

[*English*]

**The Clerk of the Committee (Ms. Dancella Boyi):** I'm testing simultaneous interpretation for Mr. Savard-Tremblay.

Monsieur Savard-Tremblay, please let us know if you can hear the French translation well.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** That's much better.

Thank you.

[*English*]

**The Chair:** Mr. Kingston, please continue for another two minutes.

**Mr. Brian Kingston:** Thank you.

My first recommended action is to match U.S. EV adoption policies, including those on consumer incentives and charging infrastructure. Canada must be prepared to both continue and increase its own consumer purchase incentive, iZEV, and to invest more in charging infrastructure if we hope to keep pace with the United States, boost EV sales and attract investment.

Second, we must maintain regulatory alignment with the United States. While much attention has been given to the U.S. EV tax credit and its implications for manufacturing here in Canada, the federal government is currently advancing policies that are a more direct challenge to Canada's competitiveness as an EV manufacturing jurisdiction.

Introducing a regulated zero-emission vehicle sales mandate and/or a border carbon adjustment will take Canada out of long-standing regulatory alignment with the United States. Canada's seat at the North American automotive table and the hundreds of thousands of jobs the industry provides depend on this ongoing alignment. The policies being proposed are more immediate threats to automotive investment, jobs and Canada's place in the emerging EV supply chain.

With that, I thank you for the opportunity to address the committee and look forward to any questions.

Thank you.

**The Chair:** Thank you very much, Mr. Kingston. My apologies for the interruption in your presentation.

We go now to Mr. Breton.

Go ahead, please, for five minutes.

[*Translation*]

**Mr. Daniel Breton (President and Chief Executive Officer, Electric Mobility Canada):** Can you hear me?

[*English*]

**The Chair:** Yes. Please go ahead, Mr. Breton.

[*Translation*]

**Mr. Daniel Breton:** Good afternoon, everyone.

We want to thank the members of the Standing Committee on International Trade for taking the time to study how the United States' build back better plan may affect the electric vehicle, or EV, industry and its related sectors in Canada.

Founded in 2006, Electric Mobility Canada, or EMC, is one of the world's leading organizations in transportation electrification. Our members include mining companies; manufacturers of off-road vehicles and light-, medium- and heavy-duty vehicles; electricity and charging infrastructure providers; technology companies; research centres; municipal governments; universities; fleet managers; unions; and environmental non-governmental organizations, or NGOs.

Electric Mobility Canada is “the” national voice for transportation electrification.

[*English*]

Back in February of 2021, EMC fully supported the Canadian and U.S. governments' agreement—at the first bilateral meeting held virtually with Canadian Prime Minister Justin Trudeau and U.S. President Joe Biden—on the importance of the development of a zero-emission vehicle future and a battery strategy.

As noted in their official statement:

The leaders also agreed to work together to build the necessary supply chains to make Canada and the United States global leaders in all aspects of battery development and production. To that end, the leaders agreed to strengthen the Canada-U.S. Critical Minerals Action Plan to target a net-zero industrial transformation, batteries for zero-emissions vehicles, and renewable energy storage.

Later that year, the U.S. administration presented its build back better plan, with specific provisions on EVs. As soon as the plan

was known, EMC was amongst those who alerted the Canadian government on the risk it could present to U.S.-Canada EV relations, to Canadian workers and to the Canadian automotive industry in general.

I will outline a few of the items in this plan that may be cause for concern.

One item is the adding of another \$500 rebate to EVs using battery packs in which 50% of components, including cells, are made in the U.S. Since all EVs require battery packs, this means that the U.S. administration wants battery components to be made mainly in the U.S. This could hinder Canada's capacity to attract battery manufacturers to our country and therefore deprive us of a key part of the automotive industry of the future—battery development. Although Canada is not yet a critical minerals superpower, the potential is clearly there, with 31 critical minerals identified in Canada, experienced research teams and our qualified workforce.

Another item is that after the first five years a \$7,500 rebate will apply only to U.S.-made electric vehicles, and this rebate will then be in place for another five years. Considering that nine out of 10 vehicles built in Canada are sent to the U.S., this proposal clearly poses a threat to the future of the automotive industry in Canada, since almost all vehicle manufacturers are announcing the end of internal combustion engine production in the next few years.

To demonstrate how fast the world market is adopting EVs, here is some up-to-date information on some manufacturers' plans for EV production. GM is aiming at 100% EV production by 2035. Stellantis/Chrysler is aiming for 100% EV production by 2028. Ford is aiming for 40% EV production by 2030. Nissan is aiming for 50% EV production by 2030. VW is aiming for 50% EV production by 2030. Also, let's not forget newer players like Tesla, Rivian and others, which are already exclusively electric.

Let's not forget the medium- and heavy-duty sectors as well. Companies such as Nova Bus, New Flyer, Lion Electric, Girardin, Taiga, Dana and BYD are now making electric buses, school buses, trucks or snowmobiles in Canada, and there is great potential for job creation. Some of these companies also partner with local suppliers, further contributing to growth by generating thousands of indirect jobs. For example, Lion Electric has approximately 300 Canadian suppliers.

• (1600)

[*Translation*]

While the focus is on light-duty electric vehicles, it should be noted that the United States government's proposals in the build back better plan, or Buy American Act, may also affect Canadian manufacturing of electric transit buses, electric school buses, off-road electric vehicles, electric vehicle charging stations and infrastructure, and research and development. Tens of thousands of current and future jobs in the electric vehicle industry could be transferred to or created in the United States, leaving Canada with crumbs.

The future of mobility is clearly electric, whether we're talking about light-, medium- or heavy-duty vehicles. The Government of Canada knows it. The industry knows it. The scientists know it. That's why Canada and Canadian industry members must work together to ensure that we have a plan to develop a thriving electric vehicle industry in collaboration with our American ally, such as the plan signed almost exactly one year ago.

Thank you.

[*English*]

**The Chair:** Thank you very much, Mr. Breton.

We move now to Mr. MacKenzie.

**Mr. Scott MacKenzie (Senior National Manager, External Affairs, Toyota Motor Manufacturing Canada Inc.):** Madam Chair, vice-chairs and members of the committee, thank you for the opportunity to speak to you on this very important matter.

I'm here on behalf of Toyota Motor Manufacturing Canada, and I have responsibility for external affairs for all of Toyota's operations across Canada, including our interactions and engagement with all levels of government.

TMMC has been building vehicles in Canada since 1988, and this summer we will build the 10 millionth vehicle in our history, expected to be our newly launched Lexus NX. We've been the largest automotive manufacturer in Canada over the past five years, and last year we were responsible for nearly 40% of all vehicle manufacturing in Canada, producing more than 427,000 vehicles despite significant well-known challenges to global supply chains. We employ more than 8,500 Canadians, and we're the most awarded plants in the Americas, and second-most awarded in the world according to J.D. Power and Associates' initial quality survey.

Since our inception in Canada, our mission has been to build high-quality vehicles for the North American marketplace. Since 1988 we've enjoyed duty-free access into the U.S. market, first through the Canada-U.S. FTA, then NAFTA and now CUSMA. Each of those successive agreements has allowed us to grow from a single plant producing 50,000 Corollas per year to three plants and two sites producing 500,000 vehicles per year. We are one of the largest Toyota plants operating globally and the largest Toyota plant in North America by volume.

We produce the best-selling non-pickup truck in North America and the two top-selling vehicles within our Lexus luxury nameplate. With the addition of the Lexus NX production in March of this year, we'll build hybrid electric versions of all of our vehicles

on every line. We're already producing electrified vehicles in Canada in high quantities and will continue to do so as our products continue to progress along the electrification spectrum.

We're a Canadian success story. Last year, 87% of our production was exported to the United States. The U.S. market is roughly 10 times the size of the Canadian market and has a profound impact and effect on our Canadian manufacturing operations. We produce more than twice as many cars in Canada as we sell in Canada, and the latter total includes vehicles produced in the U.S., Mexico and Japan.

Continued preferential access to the U.S. market is essential for us to maintain our production profile and continued employment for our team members. There is no realistic scenario in which we can service the Canadian market only and retain our current production levels and levels of employment.

In recent years, even after the successful negotiation of NAFTA, we've seen increasing threats to our preferred access to the U.S. market. First it was through a different and more stringent interpretation of rules of origin by the USTR, and more recently it is through proposed legislation in the United States that would effectively give preferred access through consumer tax rebates for qualifying electrified vehicles produced by three specific U.S. headquartered companies, in clear violation of the CUSMA recently agreed to by both countries and Mexico.

The catalyst for most of this action is the clear recognition by both governments and industry that the future of automotive is electrified. The industry will be undergoing unprecedented changes as internal combustion powertrains are gradually replaced by electric motors and batteries. Each automotive company will have its own public position on the pace of electrification, some more aggressive and some more pragmatic, but there's no disagreement on the end goal of shifting to a carbon-free automotive future.

Inherent in this is the understanding that batteries—1,000-pound 100-kilowatt batteries—and more specifically the ability of companies to source or build them within North America will determine the future winners and losers in the automotive marketplace. Nations understand this, and the United States sees this as an opportunity to shift production of both automobiles and these new powertrains from lower-cost jurisdictions, such as Mexico and overseas countries, into the United States, thereby securing jobs and technology while reshaping the automotive landscape.

There is tremendous risk to Canada in this scenario, and if we're unable to maintain preferred access to the U.S. market and compete on a level playing field, investments will flow into the United States at the expense of Canada, and our industry will be further weakened.



Canada must enforce its trade agreements with the United States and build a Canadian value proposition that creates broader value within the North American marketplace. One way to do this is through the development of battery supply chains. This has been mentioned elsewhere, so I won't dwell on it, but we need to focus our energies on turning things in the ground into things that we can actually use. It's not enough to say we have lithium reserves in the ground in northern Quebec. We need to transform that natural resource into highly refined battery-grade material at a competitive cost. This could be a distinct advantage for Canada and a transformative opportunity for our natural resources sector.

• (1605)

At the opposite end of the electrification spectrum, we need to find customers for batteries in Canada. There's a perception in the public space that if Canada could secure a large-scale battery manufacturing operation, that would attract battery-electric vehicle assembly to Canada. This is completely backwards. We need to secure product mandates for electrified vehicles first. We need to establish a critical mass of hybrid, plug-in hybrid and battery-electric vehicle production at our plants in Canada to attract battery production mandates.

Batteries, by their nature, are very large and very heavy. The associated logistics cost to ship a battery over any great distance is much greater than that for the powertrains they are replacing. Once increasing volumes reach a critical mass, economics force companies to localize production close to the customer in order to overcome increasing logistics cost. This is how you attract battery plant investments, and further, how you find the true customers for your refined raw materials.

These logistics challenges—

• (1610)

**The Chair:** I'm sorry, Mr. MacKenzie, but I have to interrupt. Hopefully you can complete your remarks later when responding to the questions by members.

Mr. Wark, go ahead for five minutes, please.

**Mr. Shane Wark (Assistant to the National President, Unifor):** Thank you. Good afternoon, Madam Chair, members of the standing committee and other witnesses.

My name is Shane Wark and I am assistant to Unifor national president Jerry Dias. My responsibilities include oversight of negotiations for Unifor's 40,000 members working at the Detroit three and independent auto parts facilities. Joining me today is Unifor's director of research, Angelo DiCaro. Angelo oversees the union's work on the auto sector and trade policy. We thank you for the opportunity to speak today.

Unifor appreciates the committee's undertaking of this study on how certain U.S. build back better policy proposals will harm the Canadian auto industry—notably, the proposed EV vehicle rebate that applies exclusively to vehicles assembled in America.

I started working at Ford Motor Company in Windsor in 1994. Having been involved in the auto industry for more than 25 years, I can tell you that what drives production and investment into Canadian assembly plants is our ability to sell into the U.S. market. U.S.

showrooms are the final destination for roughly 90% of passenger vehicles assembled in Canada. It makes sense. The U.S. market is significantly larger than Canada's. For example, in 2019, the U.S. sold 17 million new cars. Canada, by comparison, sold approximately two million new vehicles.

A subsidy of \$12,500 to purchase only U.S.-built electric vehicles—which amounts to a subsidy of 22% for an average electric vehicle—not only cuts Canada out of the most important market but creates a strong disincentive to invest in Canadian electric vehicle production. As Canada is set to ramp up EV production in the coming years and seeks further investments to secure and grow our production footprint, this U.S. proposal comes at the worst time.

The challenge is that there is a lot to like about what the U.S. is trying to do. Getting more EVs on the road will require government support and purchasing incentives. The U.S. is clearly setting an ambitious benchmark. Ensuring that these subsidies help grow good, unionized auto sector jobs is an effort to support workers' fundamental rights. The trouble starts when Canada, the United States' number one auto trading partner, is treated as an afterthought. Resolving this matter is critical to our industry-building efforts.

We thank the federal government for its support so far, but there is still lots of work to do. The congressional bill has stalled, but we fear that a new bill will surface. Finding a permanent and durable solution is critical as we look for solutions to sustain work at, for example, the Brampton Stellantis assembly plant—a 3,000-worker plant that supports thousands of regional jobs, but according to various auto analysts, has no product allocation as of 2023.

It is also critical as our union begins preparations for the next round of Detroit Three negotiations starting in the summer of next year. You can expect that EV investment will once again be a key topic of discussion.

The federal government has to continue making the case at all levels of government for a Canadian carve-in to any U.S. rebate. At the very least, the federal government must present assurances to auto workers that any U.S. action is balanced by equivalent support for our own domestic investment.

Canada is on the cusp of something very special. We are positioning ourselves as a powerhouse nation for the future of auto manufacturing—at all stages of the supply chain, from the mining and processing of critical minerals to battery and component part production to final vehicle assembly. A stronger domestic supply chain will provide us greater leverage when dealing with isolationist trading partners like the U.S. now and in future.

Unifor is not celebrating the demise of President Biden's build back better program. In fact, the derailment of a nearly two-trillion-dollar economic growth package for our largest trading partner is bad news for Canada. But to ensure Canada doesn't get caught in the crosshairs, we need a proper industrial strategy, one that buffers us against trade threats and is built to support good jobs.

• (1615)

Thank you again for this opportunity. I look forward to taking your questions.

**The Chair:** Thank you very much, Mr. Wark.

Thank you to all the witnesses for the very valuable information.

We will now start with the members of the committee.

We will have Mr. Lewis for six minutes, please.

**Mr. Chris Lewis (Essex, CPC):** Thank you very much, Madam Chair,

Committee members, it's great to be back here and doing our very important work.

Thank you to all of the witnesses for their incredible testimony this afternoon. You each brought something really unique to the table. I thank you to each and every one of you for that.

Obviously, as many of you know, my riding of Essex is very close to the busiest international border crossing for trade in all of North America, along with that of my excellent colleague Mr. Masse.

Many of my questions that I'll be focusing on will be with regard to our region. Although I know this is much bigger than just Windsor-Essex, that's really where it starts. There is no reason in the world why Essex-Windsor really shouldn't continue to be the global leader in not only the assembly plants of today but also the assembly plants of tomorrow for EVs, so I want to say thank you to each and every one of you for that.

This is really interesting tonight. I hear about a \$6-billion investment, and \$4 billion from what I understand for Ontario alone, but with regard to my consultations with at least a few of you before this call, I do understand that it's really about ensuring that we're completely aligned with United States.

I could go on for a long time, but I only have six minutes, and probably just five now. Nonetheless, my first question is this, Mr. Kingston. You spoke about reducing this "price gap". You said that we have to reduce the price gap. I understand that.

There's been quite a bit of talk about the United States' potential tax rebate of \$12,500. I'm going to switch gears here, sir. I'm going to talk about the luxury tax. If we're going to reduce the price gap

within Canada so that we're more competitive, what would be your comment with regard to the potential proposed luxury tax on vehicles, only because I'm convinced that an EV is going to be north of \$100,000?

**Mr. Brian Kingston:** Thank you, Mr. Lewis, for the question.

When it comes to boosting consumer adoption, the biggest challenge is overcoming that cost gap. That cost gap will come down over time as the technology advances, but the reality is that EVs are more expensive than internal combustion engine vehicles, so programs like the iZEV are extremely important.

A luxury tax as is currently being proposed and would apply to electric vehicles costing over \$100,000 works against that. We need a suite of policies to help Canadians make that switch. Putting in place a tax that is a direct disincentive and encourages a consumer to go to an ICE vehicle in that price category works against what is ultimately the government's objective of getting to 100% ZEV sales by 2035. We need a whole-of-government approach and a range of consumer incentives to try to close that gap and get more Canadians into an electric one.

**Mr. Chris Lewis:** Thank you, Mr. Kingston.

Through you, Madam Chair, I'll go back to Mr. Kingston.

I'm sorry to put you on the spot, sir. I'm going to also talk about something that nobody has spoken about yet. The question will first be for you, and then for the representative from Unifor, please.

I'm very concerned about chip shortages. I know there have been major investments downriver. For those who don't know, "downriver" is on the other side of the Detroit River, down in the big assembly plants in Michigan.

I do believe it to be true, Mr. Kingston, and please correct me if my numbers are way [Technical difficulty—Editor] million-unit shortage last year or that wasn't assembled last year due to the chip shortage. Can you advise this committee as to how both sides of the border can work together or what Canada needs to do to ensure that? The reason I'm asking this question, Mr. Kingston, is that obviously we want to produce and we want to assemble, but right in Windsor, right in my backyard, we've had major, major assembly plant shutdowns. The lines have been shut down. We're cut down to one. I'm just curious to know if you could respond to that, please.

**Mr. Brian Kingston:** Yes. Thank you, Mr. Lewis

You're absolutely right. The chip shortage has been one of the biggest headwinds facing the industry since the onset of COVID and the associated supply chain challenges and chip production shutdowns. Last year we started to see, towards the end of the year, in the third and fourth quarters, an increase and improvement with respect to chip inventories and, as a result, production.

However, the delta wave of COVID, followed now by the omicron wave, has led to another series of chip shortages that are impacting the industry globally, so production in Canada last year was down by almost a million units. We are hopeful that we're starting to see a light at the end of the tunnel with respect to a balance in terms of global chip production and demand.

The U.S. is taking steps. There is currently \$53 billion U.S. about to be approved to enhance U.S. chip production capacity, which will be extremely helpful for the Canadian industry as well as the U.S. industry, given the integrated nature of our auto sector.

It has been a big challenge, but I'm hopeful that we're starting to see an end to that and you'll see production increase and then return to pre-COVID levels.

• (1620)

**Mr. Chris Lewis:** Thank you, Mr. Kingston.

Mr. Wark, did you have anything to add—

**The Chair:** Time is very short, Mr. Lewis. You have 31 seconds left.

**Mr. Chris Lewis:** Thank you.

I'll let Mr. Wark go if he has anything to add.

**Mr. Shane Wark:** Thank you. I will be brief.

I can tell you that the chip shortage has had a huge impact on the Unifor-represented Detroit-three assembly plants. We met with our leadership group just before the Christmas shutdown and calculated that among five assembly plants, the chip shortage has caused over two years' worth of layoffs in that period. I would strongly encourage our government to consider policies that would bring about chip production to Canada. I think it's a worthy discussion to have, for sure.

**Mr. Chris Lewis:** Thank you, Madam Chair.

**The Chair:** Mr. Virani, please.

**Mr. Arif Virani (Parkdale—High Park, Lib.):** Thank you very much, Madam Chair.

Let me start by picking up on something that was raised by Mr. Lewis because I think the record should reflect the fact that our government's track record on EVs is actually to have instituted a \$5,000-tax credit for EVs worth \$50,000 or less. That was very deliberate because we've heard the narrative that electric vehicles are effectively a plaything of the rich, and that's not where we see the market going with things like the Leaf and the Volt. We're trying to empower middle-class Canadians to access cars at an affordable rate. That's why our tax credit is in place at that level, and at that level only.

I think it's lamentable when we were talking so much about tax credits—and many of you have commented on the need to ensure

that we're incentivizing the Canadian market—that we don't have a provincial counterpart any longer, because the premier of the province of Ontario, Mr. Ford, has decided to remove that tax credit. I wanted the record to reflect that.

I'm going to pose some questions to the folks from Unifor: Mr. Wark and Mr. DiCaro.

On first reading, the build back better legislation initiative talks about empowering the vehicles to be bought in the United States, but particularly that the final assembly of the vehicles occur in unionized shops. I'm speaking as somebody who represents a lot of good unionized workers here in Toronto, and they're concerned about the health of the labour movement, as they rightfully should be.

At first instance you'd think that's a positive initiative, but can you unpack for me the importance of Minister Ng and Minister Freeland writing pretty stern letters to their counterparts in the United States last December indicating exactly the dramatic consequences of build back better and how it would impact Canadian industry and how it is indeed discriminatory, a term that many of you have used? What would be the impact on unionized labour here on this side of the border? I ask because it is Canadian unionized workers who are first and foremost in our priorities.

Could the folks from Unifor comment on that in about 90 seconds?

Thanks.

**Mr. Shane Wark:** Go ahead, Angelo.

**Mr. Angelo DiCaro (Director of Research, Unifor):** Thanks very much for the question.

In terms of the impact, as was mentioned in Mr. Wark's opening remarks, we're talking about existential threats to this industry and future investments. To close us off from our biggest trading market would be devastating.

I think our advocacy in this effort has been to try to make sure, as in the past and as in so many things, that we're included. It's important not to disentangle Canada from the U.S. market. Aspects of this proposal were very interesting, very innovative. I think the approach that was taken to try to support good, high-wage jobs to make sure that you don't have a public subsidy incentivizing low-road employers, that is, employers that were actively trying to thwart workers' rights to join unions, and things like that. These are important pieces to build into policies.

The problem is why would the U.S. think that of all the problems that can be dealt with in the world, Canada—which has comparable rates of unionization and wage levels, if not higher—is the problem? We're not the problem. To be caught in the crossfire of this was kind of like a double whammy to union members watching this drama unfold.

I think there are ways we can get at that policy end without being so discriminatory. Hopefully cooler heads will prevail if this bill does resurface. We can have a smarter discussion about what that can look like.

• (1625)

**Mr. Arif Virani:** Thank you, Mr. DiCaro.

Further to that point, I found it striking because in the renegotiation of CUSMA, as you well know at Unifor because you were involved in it—people like Jerry and others were—we went to great lengths to co-operate with the United States, particularly on things such as labour reform in Mexico. We've taken the step of actually investing in labour reform in Mexico to the tune of \$27.5 million. We've delegated two additional labour attachés to the Canadian diplomatic mission in Mexico.

Can you comment on the importance of those kinds of investments in shoring up labour and support for unionized workers continent-wide?

This is for Mr. DiCaro first, and also Mr. Wark if he wants to jump in.

**Mr. Angelo DiCaro:** Absolutely.

I think all of this complements my earlier points about the last number of years specifically through CUSMA. That experience was a bit of a changing of the channel about how we understood the role of labour rights in continental free trade, something another speaker, I can't recall who.... This is very innovative stuff. This is stuff that doesn't exist in trade agreements anywhere else in the world, so we were breaking ground on these concepts.

We're doing it in the spirit of solidarity, working with independent Mexican labour unions. In fact, there's a vote happening right now at a truck plant among a series of workers, all of which has been brought about by the laws established under the CUSMA, which are having a positive effect. It's unfortunate then that a policy like this surfaces that is obviously very inward looking and isolationist, and really in practice aims to undo a lot of that goodwill, a lot of that solidarity that was built up.

I don't know what more to say about this other than it's a disappointment, and again, hopefully there are ways to rectify this as we go forward.

**Mr. Arif Virani:** Thanks.

Madam Chair, how much time do I have?

**The Chair:** Thank you very much. I'm sorry Mr. Virani, but your time is up.

**Mr. Arif Virani:** Thank you.

**The Chair:** Mr. Savard-Tremblay the floor is yours, for six minutes please.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Thank you, Madam Chair.

I want to thank all the witnesses for their presentations. Their remarks give us an idea of the potential consequences of this policy, which still hasn't been adopted, in their respective fields.

Mr. Breton, your position as president of Electric Mobility Canada gives you a broad perspective. In addition, you were the environment minister in Quebec. As a result, you have a fairly in-depth knowledge of the electrification sector in Quebec.

I'll first ask you a quick question, which will require a yes or no answer.

I'll paint a rough picture, which could certainly be further developed.

Is it true that light-duty vehicles are built in Ontario and heavy-duty vehicles are built in Quebec?

**Mr. Daniel Breton:** You could say that, although heavy-duty vehicles are also built in Manitoba, for example at New Flyer.

Ontario's expertise in light-duty vehicles is recognized. Quebec has expertise in heavy-duty vehicles, but so does Ontario. However, heavy-duty vehicle electrification is more common in Quebec.

**Mr. Simon-Pierre Savard-Tremblay:** These include Lion Electric and the bus companies.

**Mr. Daniel Breton:** Exactly.

**Mr. Simon-Pierre Savard-Tremblay:** Are these two sectors being fairly and properly supported given the current challenges?

**Mr. Daniel Breton:** I couldn't tell you whether they're fairly supported. However, I'd like to point out one thing that hasn't been mentioned. According to the figures on battery production, in 2020, most of the large battery factories were located in China. Right now, we're involved in a geopolitical game. It's no longer just a matter of job creation, but also of national security in terms of the energy transition.

We've spoken in other committees about the fact that, in the 20th century, there were geopolitical and economic challenges related to oil. Now we're starting to see geopolitical challenges related to renewable energy and transportation electrification. China is way ahead of North America, Canada and the United States. If we can't create a North American plan to develop a sector to become competitive, we may lose jobs not only in Canada, but also in the United States. We'll end up importing products and we'll lose an extremely important sector of light- and heavy-duty vehicles. There are currently 600 electric buses on the road in Canada, and there are over 600,000 in China. That country has a big head start.

Canada has significant natural resources, skilled workers and an industry that can do the job. We need an integrated vision to compete with those ahead of us, particularly China. Europe is doing the work. Canada and the United States should work together. At the moment, I think that we're shooting ourselves in the foot and that we aren't heading in the right direction to speed up the electrification of transportation.

• (1630)

**Mr. Simon-Pierre Savard-Tremblay:** Yet, I'm putting this alongside protectionism. We know that the Prime Minister of Canada and the President of the United States reached an agreement, I believe in February 2021. As part of the agreement, they said that they were aware that 90% of batteries came from Asia and that they wanted an agreement on critical minerals and batteries. Quebec volunteered and said that it wanted to develop this area and show leadership.

I'll ask you a rhetorical question, which I naturally want you to address. It seems that there's an agreement, and that, despite the protectionism, there's still a type of co-operation in this area.

**Mr. Daniel Breton:** I hope that Canada doesn't repeat the mistakes of the past by sending natural resources, the raw material, overseas to China, the United States or elsewhere, rather than using them to create value-added jobs in Canada.

In my opinion, we would really be foolish if Canada just sent the critical minerals to the United States and the finished products were made in the United States.

**Mr. Simon-Pierre Savard-Tremblay:** In the end, this could be summarized as the need for a processing industry, meaning—

**Mr. Daniel Breton:** Yes, exactly.

**Mr. Simon-Pierre Savard-Tremblay:** In other words, you could even call it a re-industrialization policy. Right?

**Mr. Daniel Breton:** Exactly.

It's a supply chain of zero-emission vehicles that runs from mines to mobility. We're working on that. Last year, we established the Accelerate alliance. We want to fight climate change and air pollution while creating jobs, not losing jobs in Canada and Quebec. That's what we want.

At this point, we feel that the automotive, truck and bus industry and infrastructure in Canada are in real danger.

**Mr. Simon-Pierre Savard-Tremblay:** What do you think of the politics?

I brought up the example of Quebec, which has shown a very strong desire to work on this sector.

Do you feel that there's enough political will in this area?

**Mr. Daniel Breton:** Do you mean at the federal level?

**Mr. Simon-Pierre Savard-Tremblay:** I'm talking about both the federal government and the provinces. Canada's support for its provinces is also very significant.

**Mr. Daniel Breton:** I think that the federal government really wants to move these projects forward. We spoke with the former Canadian ambassador to Washington. We saw him put a stop to this, along with Minister Ng. He said that this couldn't be tolerated and that the situation didn't make sense.

We're supposed to be business partners, not adversaries. In terms of the energy transition, we aren't adversaries. We're supposed to work together to help our region from a geopolitical and economic perspective.

[English]

**The Chair:** Thank you very much, Mr. Savard-Tremblay.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Okay.

I'll continue with the next round of questions.

[English]

**The Chair:** Mr. Masse, please go ahead.

**Mr. Brian Masse (Windsor West, NDP):** Thank you, Madam Chair.

Monsieur Breton, can you kind of convey where there could be technology transfer with investment in Canada, especially in battery enhancements? It's not just about the vehicles, but also about what can take place afterwards. Can you provide some information on that?

**Mr. Daniel Breton:** I'm not sure I understand the question. Could you repeat it so that I know what you're talking about? I'm sorry.

**Mr. Brian Masse:** I'm just looking for where we go from here. It's not just vehicles; it's also about battery enhancements. Where can they go to other products in manufacturing in Canada if we actually produce them here ourselves versus being dependent on all those things? It's all the stuff that's out there in terms of—

**Mr. Daniel Breton:** Obviously, there are critical minerals in many provinces across the country, from Alberta to B.C. to Saskatchewan to Ontario to Quebec. There's expertise in different universities. We go from Dalhousie University's Jeff Dahn research centre to Quebec to Ontario. In hydrogen there's B.C. We tend to forget, when we're talking about electric vehicles, that there are hydrogen vehicles as well.

So there is expertise across the board. When we're talking about electric vehicles, yes, we're talking about batteries, but we're also talking about critical minerals. We're talking about propulsion systems. We're talking about infrastructure. We tend to forget that infrastructure is a key component of electric mobility.

Right now some of our members are saying to me, well, if the build back better plan comes as presented initially, we'll basically have to move our plants from Canada to the U.S., or we'll just open in the U.S. and that's it. Some of them are already doing business both south and north of the border. They're saying, you know, less jobs in Canada, more jobs in the U.S.

That's why all levels of electric mobility are very important for us.

• (1635)

**Mr. Brian Masse:** Yes.

Mr. DiCaro, in regard to our footprint with the United States, where has it gone? We are right now supposedly at 13%, but I don't think our auto manufacturing is that high anymore. That number was based on the previous work we did with regard to support for investment in General Motors and also Ford, and also a series of the Chrysler.... I don't think we're there anymore.

**Mr. Angelo DiCaro:** It's right to say that over time, depending on what time frame you're looking at, Canada's share of the North American production footprint has fallen. A lot of that can be explained over time—at least a twenty-year time frame—with rising assembly capacity built in Mexico with new greenfield sites. It's roughly timed with the onset of NAFTA a number of years later.

We have seen declines. They've borne out in employment numbers. We're short about 35,000 assembly and parts jobs from where we were at the turn of the millennium. It's a longer time frame, but it's still significant. It's only been recently that we've been seeing an uptick in some of that and some green shoots with the Oshawa assembly coming back online and new product investments coming to Oakville, Ingersoll and soon to be coming to Windsor. Things like this throw a huge wrench in those plans at the worst possible time you can imagine.

Yes, I would agree with your statement.

**Mr. Brian Masse:** A challenge that we face with this is that even Detroit has had more investment compared with all of Canada over the last number of years. That's just one city versus our entire country.

Mr. Kingston, I'm going to ask you this one question. Where do we go in rebranding and, importantly, making sure that we're not going to be a subsidiary of the United States in assembly?

**Mr. Brian Kingston:** First, I just want to underline that Canadian production is the result of... The percentage of total North American production was about 13% through the period of the decade up to 2019. The last few years aren't really good or representative numbers, because of the semiconductor situation.

We've also seen significant new investment in Canada. Six billion dollars is something to be really proud of. For the record, I'd like to note that we're greatly appreciative of the support of the federal government, ISED and the Ontario government in helping make those investments happen.

That said, on a go-forward basis, we want to maintain our position in North American production and attract as much investment as possible. To do that, I'll go back to my opening remarks. We must have a competitive manufacturing environment. This investment is highly competitive: Companies are competing; jurisdictions are competing around the world to attract it. If we're not constantly aware of where we sit with respect to other jurisdictions in North America, in particular, we won't be able to continue to compete.

We have to look at our regulatory environment and to make sure that we are aligned with the United States. To the points that were raised earlier, the majority of our vehicles go to the U.S. market. If we don't have a regulatory environment that is competitive with and aligned with the U.S., we won't win new investment. That has to be the overarching objective of any auto strategy.

• (1640)

**The Chair:** Thank you very much.

**Mr. Brian Masse:** We don't even actually—

**The Chair:** I'm sorry, Mr. Masse, but your time is up.

We're moving on to Mr. Hoback or someone else from the Conservative side.

Is it Mr. Martel? Okay, thank you.

Go ahead, Mr. Martel.

[*Translation*]

**Mr. Richard Martel (Chicoutimi—Le Fjord, CPC):** Thank you for joining us today.

Mr. Vescio, has the government asked you how it could better assist the Canadian electric vehicle industry with respect to American tax credits or any other external threats? If so, I want to know your recommendations and whether they were well received.

[*English*]

**Mr. Gian Paolo Vescio:** First, I would say yes. The federal government is alive to this issue, like I said in my opening remarks. We've been working closely together with it and the embassy in Washington to be able to come in front of the lawmakers, in front of whomever this bill is going to be dealt with, in whatever new form it comes in.

I would suggest or continue to recommend that we ask the government to say, "Look, this is going to be a problem". When this issue starts to rise, if we don't get in front of this now and if we aren't hypervigilant about it, we're going to have issues down the line because it's such a binary threat

Automakers, as my colleagues have said, are making decisions for the future now. My recommendations would be to continue the course, continue to make sure that first, we remind our American friends about our trading obligations to each other; and second, really remind them and make sure that they care about this issue in that this is going to affect them in an adverse way, if not a worse way than it affects us.

[*Translation*]

**Mr. Richard Martel:** Mr. Vescio, on November 11, 2021, you participated in the focus group entitled Panels Title. During the discussion, a question was asked about the possibility of replacing raw materials and parts from Asia with raw materials and parts from a local supplier.

You said that Canada could do it, but that there were shortcomings. You also said that the Government of Canada should change its mindset and start looking for value in some areas other than just cost. Lastly, you said that the government should be able to control the process.

Where do you see the Government of Canada currently lacking leadership on this issue?

[English]

**Mr. Gian Paolo Vescio:** I would simply say that these issues aren't in a vacuum. Decisions by multinational corporations are not necessarily made with one issue in mind.

In understanding the value proposition in Canada, knowing that there are things in the ground that can go into the car is essential to understanding that investment here makes sense. I would say it's imperative for governments of both stripes, which we've been working with, on both the provincial side and the federal side, to understand that making our jurisdiction as attractive as possible, for all the reasons that everybody else on this panel has mentioned, is essential, and continuing to do that and continuing to sell Canada as the place to be for auto production.

[Translation]

**Mr. Richard Martel:** Thank you, Mr. Vescio.

Mr. Kingston, in July 2021, the Stellantis group announced plans to build five battery manufacturing plants for electric vehicles. Of those five plants, two would be located in North America, and at least one in the United States. I find it inconceivable that Canada hasn't yet announced the construction of a plant, given all that Hydro-Québec is developing in terms of batteries. In the end, Canada may not have a plant at all.

Does Canada's approach to attracting foreign investors lack leadership?

[English]

**Mr. Brian Kingston:** No, I think the federal government in particular has done a lot of work in attracting investment in the battery sector. We obviously don't know what the outcome of Stellantis's plans for a battery footprint in North America are, but I think there is great potential that we could at some point see a battery investment in Canada, for all the reasons some of the other witnesses have outlined. We do have all the materials; the supply chain is there. We have to move quickly to go from speaking about what we know the resources in the ground are to building mining capacity and, in particular, processing capacity to ultimately feed those plants and then go into final vehicle assembly.

I think the opportunity is there. I'm still hopeful we could see some investments made in Canada.

● (1645)

**The Chair:** Thank you very much, Mr. Martel. I'm sorry, but your time is up.

We move to Mr. Sheehan for five minutes.

**Mr. Terry Sheehan (Sault Ste. Marie, Lib.):** Thank you, Madam Chair.

Thank you to all our presenters.

I just want to begin by talking about something that's in my backyard: the steel industry. We saw what happened when there was some American protectionism via section 232. That was imposed not only on steel but also aluminum. We all worked together as the trade committee. We went forward and had a real team approach. We got in the face, literally, of American legislators, businesses and unions, and we talked about it. Something we talked about was the supply chain and how that would affect the auto industry; and how many times a part, a piece of a car, crosses back and forth over the border, through the auto pact, and how that would inadvertently become a tax on Americans and have unintended consequences, including the effects of rising prices and such.

As we move forward with electric vehicles, we're starting to see investments happening in the Sault and Hamilton, where we're moving from coal-based manufacturing, as it relates to steel, to electric arc, reducing our carbon. Manufacturers and consumers, actually, are demanding that. I think you're seeing that increase.

We've seen investments in northern Ontario at First Cobalt up in the Timiskaming area, with cobalt sulphate manufactured to go into electric vehicles.

I want to pose my first question to the Canadian auto manufacturer of parts person who was talking about the auto pact.

What have been the benefits of this free flow of goods across the border? Where do you see it going in the future? I'll start with that question.

**Mr. Brian Kingston:** I'm sorry. Was that for you, Gian Paolo?

**Mr. Gian Paolo Vescio:** Was that for me, Mr. Sheehan?

**Mr. Terry Sheehan:** Yes, please. Both of you can take a stab at it, if you like. That's fine. I would like those comments.

**Mr. Gian Paolo Vescio:** There's no secret as to how interconnected the American and Canadian auto sectors are. We will bully this point forever. I think we know where the future's going. I just had a daughter. She's eight months old and she'll probably never in her life start a car that goes v-v-v-rooom and then starts.

Understanding the importance of how our two countries have operated almost seamlessly as one sector for the last hundred years is imperative to the prosperity of us all in the sector. I think the government understands that. I think that's why they're extremely live to this issue with the build back better bill. I think we also need to take a step back and see that this bill is being brought with a plethora of other issues and measures in it. This EV tax credit is only one piece. We also have to be live to the political realities in the United States.

We're half way in the game here. We're probably at halftime in this process. We need to continue to make sure that both the American automotive sector and the American administration understand how imperative a measure this is and how it will affect them. Appealing to the American interest is the way we kind of drive this point home.

**Mr. Terry Sheehan:** I'd just like to delve down into that. One thing we made sure to underline and highlight was China. China has certain elements of capitalism, but there's a lot of command-based economy whereby they subsidize their steel industry so much that it results in dumped steel. It was always our intention, and we always told the Americans, that we'll wall up together and have that wall in place.

My supplementary question is about China as a competitor as it relates to electric vehicles and how it would be beneficial for the United States, Canada and Mexico to be aware of that and to continue to work together. I say this because we all have things we bring to the table that make cars produced in North America the best cars in the world.

• (1650)

**The Chair:** Who would you like to answer that question? You have 11 seconds remaining.

**Mr. Terry Sheehan:** That may have been more of a statement, too. I see a lot of heads nodding in agreement. I'll leave it at that.

Thank you, Chair.

**The Chair:** We'll go on to Monsieur Savard-Tremblay for two and a half minutes.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Thank you, Madam Chair.

I just want to finish the conversation that Mr. Breton and I started earlier.

Mr. Breton, you were right to bring up the topic of minerals and batteries. I wanted us to address this issue and not just the vehicle sales aspect of it.

What's the underlying issue?

You said that it's a matter of security and geopolitics. I would like the committee members to understand how critical this is.

**Mr. Daniel Breton:** We often tend to think in terms of critical minerals, electric vehicles and renewable energy. However, in reality, there are a whole host of electronic products that require critical minerals, such as the computers that we use today and televisions.

Also, one aspect that really shouldn't be overlooked, and the Pentagon has already talked about this matter, is the weapons issue. On a strategic level, it's important to control the extraction and processing of critical minerals, not only for use in the economic and energy transformation associated with transportation electrification, but also for weapons purposes. At Electric Mobility Canada, we see this as a national security issue.

We know that most processing of critical minerals is done in China. We need to talk about weapons and the military sector. This whole other aspect isn't talked about enough and can become a trump card for Canada. If we want to help develop an American electric automotive industry with Canadian critical minerals, we're saying that we can be partners, not only because we want jobs in the automotive industry, but also for national security and weapons reasons. The Americans are extremely sensitive to this issue, particularly because of their current relationship with China.

**Mr. Simon-Pierre Savard-Tremblay:** Based on your conversations with American officials, where are things getting stuck?

Does the United States feel that it can manage this alone?

**Mr. Daniel Breton:** We think that the United States is currently making plans that more closely reflect domestic politics. In other words, this is more about partisan politics than about a vision for the future of the United States. This undermines a vision for the future of North America, not only in terms of the environment, but also in terms of strategy and national security.

We need to help American elected officials understand that collaboration is in the best interest of Canada, the United States, the environment and national security.

[English]

**The Chair:** Thank you very much. Your time is up, sir.

Mr. Masse, you have two and a half minutes, please.

**Mr. Brian Masse:** Mr. DiCaro and Mr. Wark, the Auto Pact has been raised here. The Auto Pact was negotiated as an international agreement between Canada and the United States. Where do you think we are now versus what we gave up with NAFTA and other negotiations? Right now, we've actually kind of returned to a lower position, in my opinion.

**Mr. Angelo DiCaro:** I can take a first stab at that, Mr. Masse, and then maybe Shane will jump in.



It's a bit of an open-ended question. There's a long history to the Auto Pact. To some extent, right now we're dealing with the product of that decision we made in 1965 to build an integrated North American industry. I guess that works insofar as the bigger trading partner of the two is well aligned with principled approaches to the free movement of goods between borders, but the minute they want to close down, it changes the calculus.

Really important pieces of the Auto Pact were the individual covenants that were struck between each of the OEMs, the automakers, to commit them to value-added production in Canada and so forth. Of course, all of that managed trade approach died away under NAFTA and then was firmly destroyed under the WTO.

So we're swimming in murky waters. Again, it kind of gets masked when the U.S. is willing to play ball, but when they don't want to anymore, we have a bit of a rethink about how we approach trade. I won't get into a long diatribe on this, but we talk about industrial policy and we talk about the situation we're faced with now. If trade policy isn't factored into that larger conversation of a suite of things we have to consider about how we move forward effectively, I think we're missing a key piece of this.

I don't know if Shane wants to supplement that.

• (1655)

**Mr. Shane Wark:** Yes.

**The Chair:** You have 20 seconds, Mr. Wark.

**Mr. Shane Wark:** Okay. I'll be quick.

In 1999 we were at our peak in vehicle assembly in Canada. Following the loss in 2002 of the agreement we had with the U.S., production declined, plants closed, workers lost their jobs and families were upended. I think the history of the trade speaks for itself. It has not been good since the loss of those important trade agreements.

**The Chair:** Thank you very much.

Mr. Patzer, you have five minutes.

**Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC):** Thank you very much.

Mr. Kingston, I would like you to clarify a statement you made about supply chains already being in existence for electric vehicle batteries in Canada. I'm wondering if you could clarify that statement.

**Mr. Brian Kingston:** Sorry; I was pointing to the fact that there's huge potential to build an electric vehicle supply chain as OEMs build out their North American battery manufacturing to support all of the vehicles they're going to be building. We have all the ingredients. We just have to put in place the strategy.

**Mr. Jeremy Patzer:** Okay.

I guess this question will be for you and maybe also for Mr. Vescio. In the CUSMA deal, there was a three-year provision that we could source lithium regionally tariff-free. We heard testimony at the natural resources committee last year that it will take closer to 10 years to get this industry going to the point where it's actually producing something. Are you concerned about that?

**Mr. Brian Kingston:** Yes. Absolutely. Some of the other witnesses have pointed out that China has been far more advanced in coming forward with a battery supply strategy. We are behind in building out a critical mineral processing and mining industry in this country. That said, we have the resources and we're a trusted partner of the United States to be a source of those inputs.

So we are behind, absolutely, but I think the opportunity is still very much there, particularly when you look at the forecast for EV production over the next 15 years. This is a fundamental transformation and demand is going to be significant.

**Mr. Jeremy Patzer:** Go ahead, Mr. Vescio.

**Mr. Gian Paolo Vescio:** Yes. I agree with everything Mr. Kingston said, understanding that the potential is here and it's here now. As I was suggesting before, decisions now are made for the future, and being alive to that issue now, immediately, is prudent. The opportunity is on the upside.

With the measures that we negotiated in the CUSMA, it gives us that runway to be able to attract and find those investments.

**Mr. Jeremy Patzer:** Yes. Unfortunately, we're going to completely miss that three-year window to source tariff-free.

What's the biggest regulatory burden that we face to get this battery supply chain going and up and running?

Mr. Vescio or Mr. Kingston, either one of you could answer that one.

**Mr. Brian Kingston:** I'm happy to very quickly note—and here I would defer to my colleagues in the mining industry—that the processing time associated with exploring and then opening up a new mine, for example, for cobalt, is very long. It's a process that's dedicated to ensuring that we respect environmental rights and that proper consultation takes place.

That is all extremely important, but the timelines are long in Canada for new project developments. That's just the reality.

• (1700)

**Mr. Jeremy Patzer:** Mr. Vescio, do you have anything you want to add to that or is there anybody else on the panel who wants to add to that?

**Mr. Gian Paolo Vescio:** I would simply say that the investments needed for that type of mining and that type of processing also need to be anchored on the other side with the production orders and production allocation. There is a bit of a chicken-and-egg situation, and getting around that and seeing the possibility of avoiding those issues will probably bring a little bit more clarity.

**Mr. Jeremy Patzer:** Thank you very much.

Mr. Kingston, there's one other issue that I see here. Yes, we're aiming for 100% by 2035; that's what the government has stated as a possibility, but one thing I find interesting is that there's been a study in California showing that 20% of EV drivers ultimately end up switching back to gas. Do you think we could see that happening in Canada, particularly with the climate that we live in?

**Mr. Brian Kingston:** I'm very familiar with that study. The primary reason for drivers switching back is the convenience issues related to the charging infrastructure. I would point to that study as a warning for Canada. We've set an ambitious target. We need to build charging infrastructure faster than the rate at which people are buying EVs. All it takes is for someone.... They purchase an EV, they make that decision, they make the investment, and if they have even one or two very bad experiences where they find themselves in a two- or three-hour wait for charging, which has happened in some areas in California, it will very quickly turn them off the technology.

We have to avoid that. We can get ahead of it. If we build out the charging infrastructure very aggressively right now, that won't happen, but it's going to be important.

To your point about Canada having cold weather, battery performance is affected, and we'll have to be thoughtful about how much charging infrastructure we need, particularly in more northern and rural communities, to avoid that situation. That is a worst-case outcome.

**The Chair:** Thank you, Mr. Kingston.

We'll go on to Mr. Arya for five minutes, please.

**Mr. Chandra Arya (Nepean, Lib.):** Thank you, Madam Chair.

First is a bit of a fact: Production is the problem today when it comes to electric vehicles. It is not a sales problem or that there no subsidy for buyers of electric vehicles. So saying that is the reason affecting the usage of electric vehicles is nonsense. Tesla, the biggest manufacturer, sells every car it manufactures. The legacy automakers are very, very behind in electric vehicle manufacturing, but even they are not finding it difficult to make their sales.

Mr. Kingston, I am quite surprised that you endorsed a misleading and partisan attack on the luxury tax as though the luxury tax is preventing people from buying luxury electric vehicles. Where is the production? Where is the supply?

On the question of charging infrastructure, however, I agree with you 100%. In fact, if we had to put more focused investment immediately, it should be on the charging infrastructure. The charging infrastructure should be ready for the Canadian environment.

Mr. MacKenzie, you mentioned that we should focus on vehicle manufacturing first and batteries next, but is it not a fact that \$8 billion or \$10 billion investments in battery manufacturing in the U.S. are all joint ventures? Anyway, we'll come to that.

Mr. Breton, welcome back to the committee. In the last Parliament, we had good discussions on this issue. As we all know, Canada and the U.S. have this joint action plan on critical minerals collaboration, and the federal government invested in the critical battery minerals centre of excellence, and we are also invested in research and development to advance critical battery mineral pro-

cessing and refining expertise. The agreement is good; our investment announcement is good. Are you seeing any movement at the ground level on this?

• (1705)

**Mr. Daniel Breton:** Are you asking me?

**Mr. Chandra Arya:** Yes, sir.

**Mr. Daniel Breton:** I am seeing some movement. I've had discussions with Minister Champagne over the last few months, and I know that the federal government is working very hard to be able to make some interesting announcements.

We've seen some smaller but nevertheless significant announcements in Quebec with Lion, the battery plant, and we are seeing companies that want to invest in either cell manufacturing or battery pack manufacturing, so I'm confident that Canada will be able to land the production of EV batteries.

Obviously, this build back better plan is a threat. I'm convinced that it could defer or deter some investment here and divert it to United States, so that's one thing that is really concerning to us.

If you don't mind my saying, the purported fact that to buy an electric car, you have to spend \$100,000 on an EV doesn't make sense. Most people drive electric cars costing between \$30,000 to \$60,000. This \$100,000 nonsense, I can't believe I'm hearing it, or the fact that we're saying that, if we live in Canada, it's really hard to travel when you go across the country in an EV. I drove from Berthierville to Toronto—I'm here in Toronto today—which was 640 kilometres, in a full EV with four people and a dog in the car with no issue at all. There are a lot of misconceptions regarding EVs nowadays.

**Mr. Chandra Arya:** In fact, Mr. Breton, you're right—

**The Chair:** Very quickly, Mr. Arya, you have 40 seconds left.

**Mr. Chandra Arya:** I'll make a comment then.

Mr. Breton, you're right: The focus of biggest electric vehicle manufacturer today, Tesla, is to go down to a car that the masses can use, and the target price is \$25,000. That is the way.

I know there's no time, but we all talked about mines, mineral processing and battery manufacturing, but the time required for approval to operate a new mine is so long. Maybe that is a question that can be addressed by another committee or other people. I don't see any mining representatives here.

Thank you, Madam Chair.

**The Chair:** Thank you, Mr. Arya.

We go to Mr. Hoback for five minutes.

**Mr. Randy Hoback (Prince Albert, CPC):** Thank you, Chair.

Chair, I think this new format is working fairly well. It looks like we're getting through more people in the time frame that we're getting—so far, so good.

I'm going to start with Mr. Vescio.

When build back better was actually becoming legislation, when did the industry inform the government that there was a possible problem? When did you let them know that they needed to insert themselves to make sure that this didn't go through? Do you have a sense of that?

Maybe Mr. Kingston could answer that question too.

I'll start with you, Mr. Vescio.

**Mr. Gian Paolo Vescio:** Yes. I can say that we've been working closely with the government since probably the fall, I would say, when we were hearing the rumours that this type of measure would be implemented. It has been a continuous work—

**Mr. Randy Hoback:** It was a long period. Can you give me a month or a more exact timeline? There must have been a time when you picked up the phone to call the ambassador or a minister to say, "We have a problem here."

**Mr. Gian Paolo Vescio:** I could find out for you. I don't know the exact date—

**Mr. Randy Hoback:** Give me a sense. Was it October or November?

**Mr. Gian Paolo Vescio:** Yes, probably in and around the fall, in October or November, in and around then.

**Mr. Randy Hoback:** Okay. If you get an exact date, I'd appreciate it.

The reason I ask is that the minister asked me, a member of the NDP and a member of the Bloc to go down with her to talk about this. I've done this in the past with the Liberal government and have been very successful with Mr. Easter or Mr. Leslie when we've gone into meetings together to talk from a Canadian perspective about why this would be a bad piece of legislation or that we need to get changes.

This time when I went down there, it seemed really disorganized. There was no game plan in place. The minister had her own meetings that we weren't included in. We were stuck with different consuls generals in their meetings, which was okay, but I was in a meeting with a bunch of Republicans who were already going to vote against it. I looked at that and said, "Where am I contributing to fighting for our Canadian automotive manufacturers?" I found it frustrating.

Now, when you talk about this bill still sitting there, dwindling, one of the comments I had from different members of the Senate that we met with was, "Why are you guys inserting yourselves now?" They asked, "Why didn't you insert yourselves in the writing stage so it actually could have been changed?" There was not a genuine thought going in to say, "Let's screw Canada over and put this in here." They just didn't think of us. Can you give me some idea on why it would be that way?

• (1710)

**Mr. Gian Paolo Vescio:** I can't really make a comment on timelines or rationales. What I can say is that in the meetings that I've been privy to, being down in Washington, and making our counterparts—our senatorial and Republican representatives—live to the issue, which.... A lot of times, because the bill is so big and there are so many pieces to it, it's easy for it to pass through the eyes. I can say that once the issue was raised with a significant amount of vigour, a lot of the representatives who we were speaking to really were taken aback and said, "Okay, we're really going to consider this."

I can even say that as of right now, Flavio, my president, is in Washington on this very matter. We're in the middle of it. The process is continuing.

I appreciate that—

**Mr. Randy Hoback:** It's a minority government here. That's where I get frustrated. It is a minority government here, so if he's down there in Washington now, I want to help him, but if he's not talking to me, I can't give him any help. There are members on the Republican side who we could link to and assist with, but nobody's asking us to, and when we are asked to, we're kind of put in a corner. How do I help you when I'm in a corner?

Where I'm getting really frustrated is that I see how serious this is, and I understand the dynamics in Washington. I understand that we're going to be going into the midterms, and we're going to lose our ability to talk to anybody in the House there within the next month or two. I also understand that a lame duck president is probably going to be a result of the midterms and the Democrats feel they need to get this through now.

It doesn't seem to me that this government or the bureaucrats down in Washington understand the importance of politically active politicians who talk to other politicians and what we can do help you in this industry. How do I get that message across? Do you think Mr. Volpe could get that message across to the minister?

**Mr. Gian Paolo Vescio:** The way we operate at the APMA, we have no secrets. We do everything in public. The phone line is always open if you're ever looking to have a more in-depth discussion with Mr. Volpe and our team.

**Mr. Randy Hoback:** It's a two-way street.

**Mr. Gian Paolo Vescio:** I would say that I can appreciate your wanting to do a pre-op on our processes or on the processes that have taken place with this issue, but the issue is still alive. We're in the middle of it. It's still continuing. We're still going to continue working closely with government on both levels to make sure that the measures that are adverse to Canada aren't enacted.

**Mr. Randy Hoback:** I guess the point I'm trying to make is you have a strong group of people on the opposition side—the Bloc, the NDP and me—who want to help you but are not being engaged.

**The Chair:** Thank you, Mr. Hoback.

It's on to Mr. Miao for five minutes.

**Mr. Wilson Miao (Richmond Centre, Lib.):** Thank you very much.

I'd like to speak a bit more about how the Canada-U.S. relationship in the electrical vehicle industry has directly impacted Canadians who work in the industry. From this conversation I understand there's a lot of reliance on electric batteries and chips that are coming from outside North America. Do we have any plans on making an investment and what would be the timeline if we were to create parts like this in Canada?

**The Chair:** Who would like to answer that question?

**Mr. Daniel Breton:** I could say that we could inspire ourselves from what's being done in Europe. They decided to work together on the ZEV supply chain for Europe. In a couple of years things have really accelerated. Now they're on their way moving forward and building battery plants. They are moving at a very fast pace. They're actually passing in front of us.

I think that we have to see that the timeline is short. Right now things are evolving really quickly regarding this new technology. What we see is that if we keep talking about this and we don't have a plan and we don't work with the U.S., we'll be left in the dust, because China is way ahead, Korea is way ahead and Europe now is really serious about this.

**Mr. Wilson Miao:** Further to that question, other than relying on the relationship with the U.S., is there potential for us to also work with other countries around the world to expand on these technologies? Canada is so big and with rural areas without the electric charging infrastructure, it could be difficult down the road for the transition into electric vehicles.

• (1715)

**Mr. Daniel Breton:** To that particular question, obviously I agree with Brian Kingston. We do need more infrastructure to make sure that Canadians can go across the country from sea to shining sea in an electric vehicle.

The issue regarding infrastructure is something that can be addressed quite easily, especially in rural areas. I live in the country. I don't have any issue in Quebec with infrastructure. B.C., Quebec and some regions of Atlantic Canada are ahead of the curve. The other provinces could be inspired by what's happening within those provinces. To say that it's hard to travel when you live in the country, actually it's a bit harder when you own an electric vehicle and you live in downtown Toronto or downtown Calgary and you don't have access to a charger because you live in a condo building or apartment building, MURBs we call them. This is another target and challenge that we address and which we spoke to the federal government about.

A lot has to do with education as well. Yes to infrastructure, yes to rebates, but education is key, because I'm hearing a lot of comments from people saying, "Well, we live in Canada and it's really hard to travel in an electric vehicle." As I said, I just travelled 630 kilometres across Ontario and Quebec in an EV, which is not a Tesla by the way, with a family and a dog. The technology is evolving really quickly. Ten years ago the average EV had 120 kilometres of range. Now we're between 400 and 500 kilometres and it's going up and up as the price is going down as well. The technology is evolving a lot more quickly than people think.

**Mr. Wilson Miao:** Thank you, Mr. Breton.

I have one more follow-up question with regard to electric charging stations.

I noticed there are several charging stations around our nation, especially in my area, that have been vandalized. If this persists, how do we avoid situations like this from happening in the future? Gas stations usually have staff looking after the gas station, but a charging vehicle is really just by itself, possibly in a remote area where nobody will have 24-hour surveillance of it.

**Mr. Daniel Breton:** It's funny you should mention that. A company called Parkland is a very big player in gas stations across the country. They just announced yesterday that they will be building the first electric-charging hub in the country in the next few months because they see this as the future of electric mobility infrastructure. It's going to be a place where there will be activities, light and food. The future of infrastructure is not going to be behind the parking lot where nobody sees anything and it's not well lit.

Things are going to evolve really quickly regarding infrastructure. ChargePoint, FLO, Circuit électrique, EVgo and many infrastructure providers are working on this right now, with some gas station companies, because they see that this is the future. It's going to evolve very quickly. It's already evolving.

**Mr. Wilson Miao:** Thank you for that.

**The Chair:** Thank you to all the witnesses. It's the beginning of a very important study. I think your message came across very clearly to all of us.

To our committee, if you could just hold on for a few minutes while our witnesses excuse themselves from the meeting. We have a few minutes of committee business that we have to deal with.

Thank you, all.

Members in the room have received the hard copies.

The committee will now proceed to the consideration of matters relating to committee business that we left off from the last meeting. I just need to say that we are not in camera; we are in public session. We don't have time to switch to in camera, so we are in public.

Monsieur Savard-Tremblay, you have the floor.

• (1720)

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Thank you, Madam Chair.

As a result of your suggestion to rework the motion, discussions were held and the motion was amended. You received the text of the motion by email. Would you like me to read it out or is the email enough for everyone?

[*English*]

**The Chair:** Would you please read it into the record, sir?

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:**

That, pursuant to Standing Order 108(2), the committee undertake a study on Canadian mining companies abroad, particularly with respect to the environment and human rights; that the committee invite the Minister of International Trade, Export Promotion, Small Business and Economic Development or experts whom the committee deems relevant; that the committee hold a minimum of three meetings; and that the committee report its findings and recommendations to the House.

[*English*]

**The Chair:** Thank you very much, Monsieur Savard-Tremblay.

Is there any discussion?

Mr. Hoback.

**Mr. Randy Hoback:** Thank you, Chair.

I guess I'm disappointed, Mr. Savard-Tremblay. At the last meeting you said you were going to amend your motion and reach out and talk to us, yet I didn't hear anything from you. There were no emails, no phone calls or anything.

It's hard for me to support something now when you said you would come back and talk to me first, before you brought it back to committee. You didn't do that. Therefore, the Conservatives won't be voting for this.

**The Chair:** Mr. Sheehan.

**Mr. Terry Sheehan:** Just for the record, I can confirm that Monsieur Savard-Tremblay reached out to the parliamentary secretary, Arif, who is on this committee. There was some discussion. I can just say that this did happen with us. I'm just confirming that.

**The Chair:** Thank you.

Monsieur Savard-Tremblay, just for a point of information, when you're trying to get something through, it's best to reach out to all members of the committee or to the other vice-chairs of the committee. It often makes things move along more smoothly.

Is there any further discussion on the motion by Monsieur Savard-Tremblay?

All those in favour, please raise your hands.

I'm sorry. Monsieur Savard-Tremblay, did you want to say something briefly?

You have the floor.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Can you hear me?

[*English*]

**The Chair:** We're able to hear you, sir. Please go ahead.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Regarding what was discussed, I spoke with the parliamentary secretary. I also tried to call Mr. Hoback. I should have left a message, especially since my cell phone doesn't show my telephone number. I'm taking responsibility for this and I'll make a note of the suggestion.

The parliamentary secretary also told me that he would try to contact Mr. Hoback. I didn't insist since contact had to be made, not by one of the movers of the motion, but by someone who worked on the motion.

Regarding Mr. Masse, we were unable to reach each other by telephone, but we did exchange emails. There wasn't enough time to speak, but we made contact.

[*English*]

**The Chair:** Thank you very much.

Is there any further comment?

We'll vote on Mr. Savard-Tremblay's motion.

(Motion agreed to: yeas 5; nays 4)

**The Chair:** Thank you all very much for your cooperation today in getting through everything on our agenda.

Mr. Hoback has indicated that he liked having six witnesses at one time, that it gave us more time, and as long as I can keep everybody on the point, we can make sure that everybody gets one or two chances to ask their important questions.

Again, thank you all very much. We will see you on Monday. Have a good weekend.

I believe the minister will be here on Monday with her officials.

The meeting is adjourned.





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