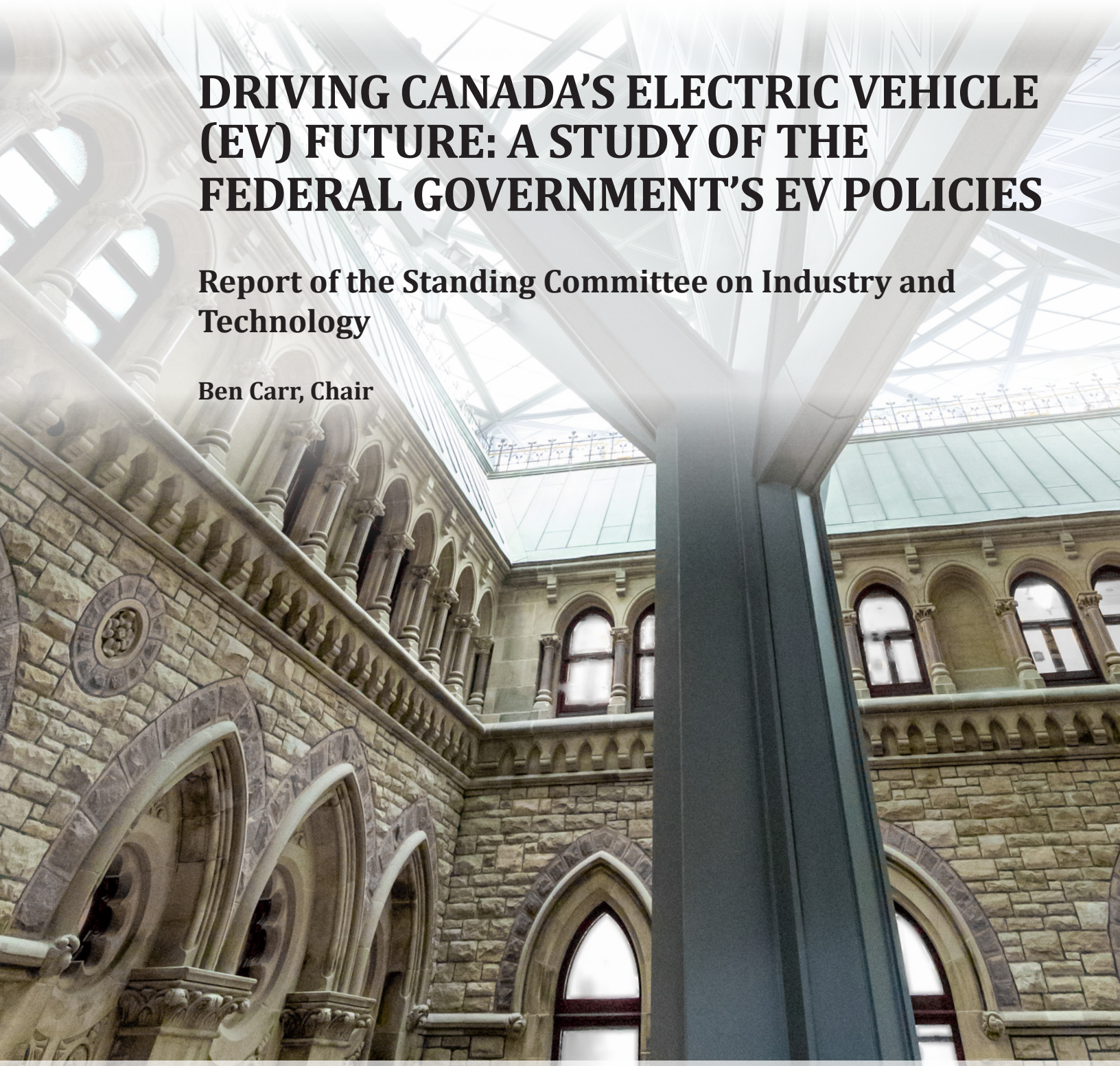
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DRIVING CANADA'S ELECTRIC VEHICLE (EV) FUTURE: A STUDY OF THE FEDERAL GOVERNMENT'S EV POLICIES

Report of the Standing Committee on Industry and Technology

Ben Carr, Chair

NOVEMBER 2026
45th PARLIAMENT, 1st SESSION

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON INDUSTRY AND TECHNOLOGY

has the honour to present its

SIXTH REPORT

Pursuant to its mandate under Standing Order 108(2), the committee has studied the federal government's electric vehicle (EV) policies and has agreed to report the following:

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SUMMARY

On 5 February 2026, the Government of Canada announced a new automotive strategy intended to strengthen the automotive sector, support domestic manufacturing, improve consumer affordability and respond to international competition. The strategy includes replacing the Electric Vehicle Availability Standard with a greenhouse gas regulatory framework, introducing an electric vehicle (EV) affordability program, expanding charging infrastructure and supporting the automotive supply chain through industrial investments.

To examine these measures, the House of Commons Standing Committee on Industry and Technology (the committee) studied the federal government's EV policies over four meetings, hearing from 23 witnesses and receiving six written briefs. The evidence reflected broad recognition that electrification presents significant economic opportunities and challenges, requiring coordinated action across regulation, trade, industrial policy, infrastructure, workforce development and security.

Witnesses identified many of the assets Canada can draw on to compete in the global EV economy, including an established automotive manufacturing sector, abundant critical minerals, clean electricity, growing battery manufacturing capacity, strong research capabilities and a skilled workforce. They emphasized the importance of policy certainty, greater domestic processing and commercialization, stronger participation by Canadian suppliers, reliable charging infrastructure, workforce training, battery recycling and resilient supply chains.

The committee also heard differing views on the pace and design of federal regulation, the degree of alignment required with the United States and the decision to allow a limited number of Chinese-manufactured EVs into Canada. Some witnesses emphasized affordability and trade diversification, while others raised concerns about the immediate and long-term effects on Canadian and North American manufacturing, connected-vehicle security, data governance and forced labour in supply chains. These differences underscored the challenge of advancing consumer, environmental, industrial and security objectives at the same time.

LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That the Government of Canada strengthen and enforce existing laws prohibiting the importation of goods produced wholly or in part with forced labour.

Recommendation 2

That the Government of Canada undertake a review of the cybersecurity, data-governance, privacy, and critical infrastructure risks posed by connected vehicles and develop appropriate safeguards to protect national security.

Recommendation 3

That the Government of Canada provide timely legal and regulatory certainty regarding the transition from the Electric Vehicle Availability Standard to the proposed greenhouse gas emissions framework.

Recommendation 4

That the Government of Canada prioritize greater Canadian participation and value creation throughout the electric vehicle supply chain, including through increased domestic critical mineral and battery-material processing, battery recycling, participation by Canadian suppliers, and the development, commercialization and retention of Canadian intellectual property.

Recommendation 5

That the Government of Canada extend and recapitalize the Zero Emission Vehicle Infrastructure Program beyond 2027 to prioritize charging deployment in underserved and low-density communities and multi-unit residential buildings.

Recommendation 6

That the Government of Canada develop a national charging strategy to ensure charging facilities are generally available, including routes and infrastructure for long-distance personal and commercial EV travel. It should also include accommodation for various charging ports, location of ports and charging adapters in different vehicles.

Recommendation 7

That the Government of Canada recapitalize the Zero Emission Vehicle Infrastructure Program (ZEVIP) and expand support or incentives for public, multi-unit residential, rural, and fleet charging infrastructure.

Recommendation 8

That the Government of Canada develop common charging, grid-integration and vehicle-to-grid standards through coordination among industry, utilities, regulators and provinces.

Recommendation 9

That the Government of Canada protect IP in joint ventures, including through a national IP strategy, and use public procurement to grow markets and support innovation.

Recommendation 10

That the Government of Canada maintain and deepen Canada's auto strategy, developed in consultation with key Canadian stakeholders, to support domestic producers, reduce emissions, cover the full critical-minerals ecosystem from extraction to implementation and continue planned national charging investments.

Recommendation 11

That the Government of Canada strengthen Canada's integrated battery ecosystem by attracting investment in battery and electric vehicle manufacturing, charging station manufacturing and infrastructure installations, supporting critical minerals and battery-materials production, increasing Canadian content, and expanding manufacturing capacity and workforce development.

Recommendation 12

That the Government of Canada establish a national battery alliance to coordinate participants across the value chain, advance innovation in areas of Canadian strength and ensure that intellectual property developed in Canada is retained and commercialized domestically, positioning Canada as a global leader in battery technologies and production.

Recommendation 13

That the Government of Canada preserve and strengthen Canada's position in the North American automotive value chain by pursuing the elimination of Section 232 tariffs, securing a successful Canada-United States-Mexico Agreement renewal, maintaining Canada–U.S. alignment where it advances Canadian interests, and ensuring Canadian producers remain integrated in North American supply chains, while diversifying trade relationships and expanding market opportunities abroad.

Recommendation 14

That the Government of Canada finalize tailpipe greenhouse gas emission standards to help power the domestic market, fuel investment and provide regulatory certainty.

Recommendation 15

That the Government of Canada establish a targeted and conditional framework for Chinese electric vehicle participation, allowing limited access only where it strengthens Canadian capacity, with temporary, reversible and security-screened access tied to Canadian benefits.

Recommendation 16

That the Government of Canada establish clear guardrails for foreign electric vehicle and battery investments to ensure meaningful Canadian participation in ownership, governance, management, supply chains, technology development, software systems, and workforce development, while supporting Canada's economic and national security interests.

Recommendation 17

That the Government of Canada strengthen legislative, regulatory, and enforcement measures to prevent forced labour in supply chains, while enhancing due diligence, traceability, and supply-chain transparency to ensure that products and components entering the Canadian market are ethically sourced, authentic, secure and uncompromised.

DRIVING CANADA'S ELECTRIC VEHICLE (EV) FUTURE: A STUDY OF THE FEDERAL GOVERNMENT'S EV POLICIES

INTRODUCTION

Canada's automotive industry is undergoing a period of significant transformation as governments and manufacturers respond to technological change, evolving consumer demand and increasing international competition in the production of zero-emission vehicles (ZEVs). Electrification is also reshaping critical mineral development, battery materials, electricity systems, software, charging infrastructure and global supply chains. As jurisdictions compete to attract investment and secure strategic technologies, Canada faces the related challenges of maintaining an integrated automotive sector, improving consumer access and capturing more of the economic value created by the transition to ZEVs.

In recent years, the Government of Canada has introduced consumer purchase incentives, funding for charging infrastructure and major investments in battery manufacturing and critical minerals. On 5 February 2026, the Prime Minister announced a new automotive strategy that would replace the Electric Vehicle Availability Standard (EVAS) with greenhouse gas (GHG) emissions regulations, create an electric vehicle (EV) affordability program, expand charging infrastructure, support domestic manufacturing, and invest in critical minerals and skills.[1] The Honourable Mélanie Joly, Minister of Industry, described the strategy as an effort to strengthen Canada's automotive sector, invest in the growth of industry leaders and ensure Canadian workers are building the vehicles of the future.[2]

The House of Commons Standing Committee on Industry and Technology (the committee) agreed to study the federal government's EV policies.[3] Between March and

1 Prime Minister of Canada, *Prime Minister Carney launches new strategy to transform Canada's auto industry*, News release, 5 February 2026; and Innovation, Science and Economic Development Canada [ISED], *Prime Minister Carney unveils Canada's new automotive strategy to protect jobs and position our country as a global leader in next-generation vehicle manufacturing*, Backgrounder, 5 February 2026.

2 ISED, *Minister Joly highlights the Government of Canada's new Auto Strategy*, News release, 6 February 2026.

3 House of Commons, Standing Committee on Industry and Technology (INDU), *Minutes of Proceedings*, 9 February 2026.

May 2026, it held four meetings and heard 23 witnesses representing government, vehicle manufacturers and dealers, charging and electrical industries, clean transportation organizations, researchers, entrepreneurs and security experts. It also received six written briefs addressing the automotive supply chain, right to repair, industrial policy, battery life cycles and workforce development.

Witnesses broadly agreed that long-term investment requires predictable policy, that charging infrastructure and workforce capacity must grow alongside EV adoption, and that Canada should seek greater value from its critical minerals, research and manufacturing base. They differed, however, on how regulatory changes should proceed, how closely Canada should align with the United States (U.S.) and whether the decision to admit more Chinese EVs would improve affordability and diversification or weaken domestic industry and create new security and human rights risks.

This report presents the principal issues and perspectives raised during the study. It first examines the transition from the EVAS to a GHG-based framework. It then considers international competitiveness and trade, including the proposed treatment of Chinese EV imports. It next addresses Canada's EV value chain, affordability, charging and electricity infrastructure, employment and skills, and the cybersecurity and supply chain risks associated with connected vehicles.

REGULATORY FRAMEWORK: FROM THE ELECTRIC VEHICLE AVAILABILITY STANDARD TO GREENHOUSE GAS STANDARDS

The automotive strategy repeals the EVAS and replaces it with a new GHG emissions framework. Under the EVAS, automakers and importers were required to meet annual ZEV sales targets: 20% of new light-duty vehicles by 2026, 60% by 2030, and 100% by 2035.[4] The Government of Canada will introduce more stringent GHG emission standards for model years 2027 to 2032, which, according to the Prime Minister, will "put Canada on a path to achieve a goal of 75% EV sales by 2035 and 90% EV sales by 2040."[5] During her appearance before the committee, the Minister of Industry confirmed that there was no EV mandate. A few industry witnesses claimed that the

4 Environment and Climate Change Canada, *Canada's Electric Vehicle Availability Standard (regulated targets for zero-emission vehicles)*.

5 Prime Minister of Canada, *Prime Minister Carney launches new strategy to transform Canada's auto industry*, News release, 5 February 2026; and ISED, *Prime Minister Carney unveils Canada's new automotive strategy to protect jobs and position our country as a global leader in next-generation vehicle manufacturing*, Backgrounder, 5 February 2026.

existing regulation had not yet been formally withdrawn.[6] On 15 August 2026, the government published proposed regulations in the *Canada Gazette*, Part I, to repeal the EVAS under the *Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations*.[7] The discussions presented in this report focus on the timing, legal clarity and design of the replacement GHG framework.

Daniel Breton, President and Chief Executive Officer of Electric Mobility Canada, welcomed the strategy as a coordinated approach. He said it offered market predictability by combining GHG regulation with measures for EV manufacturing, affordability and charging infrastructure. Andrew McKinnon, Interim Chief Executive Officer of Accelerate: Canada's ZEV Supply Chain Alliance, reiterated that a predictable pathway to EV adoption is needed to guide investment decisions across the industry. Rachel Doran, Executive Director of Clean Energy Canada, declared that the new GHG regulations must come into force by 2027 to solidify certainty in the market. Travis Allan, President and Chief Executive Officer of the Canadian Charging Infrastructure Council, added that funding programs that are part of the strategy can help unlock private investment in charging infrastructure. Raymond Leury, President of the Electric Vehicle Council of Ottawa, stated that the forthcoming GHG regulations "are crucial to getting the supply […] to meet that demand."[8]

Other witnesses spoke about uncertainty while the EVAS remains in force. Tim Reuss, President and Chief Executive Officer of the Canadian Automotive Dealers Association, called for its immediate repeal. Brian Kingston, President and Chief Executive Officer of the Canadian Vehicle Manufacturers' Association, said the regulation continued to create financial and legal compliance burdens. Charles Bernard, Chief Economist at the Canadian Automobile Dealers Association, concurred that announcing a replacement framework without formally removing the existing mandate leaves the sector uncertain about its obligations.

Moe Kabbara, Chief Executive Officer of The Transition Accelerator, advised the committee to consider GHG emissions standards carefully. In his view, standards that are unrealistic could repeat the problems attributed to the EVAS, while standards that are

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6 House of Commons, Standing Committee on Industry and Technology [INDU], *Evidence*, Meeting 28, 12 March 2026 (Tim Reuss, President and Chief Executive Officer, Canadian Automobile Dealers Association); INDU, *Evidence*, Meeting 28, 12 March 2026 (Charles Bernard, Chief Economist, Canadian Automobile Dealers Association); INDU, *Evidence*, Meeting 37, 4 May 2026 (Brian Kingston, President and Chief Executive Officer, Canadian Vehicle Manufacturers' Association).

7 Regulations Amending the Passenger Automobile and Light Truck Greenhouse Gas Emission Regulations, 6 August 2026, in Canada Gazette, Part I, 15 August 2026.

8 Transport Canada, *Electric Vehicle Affordability Program*.

too weak would fail to provide the investment signal required in charging and grid updates. Mr. Breton reasoned that the GHG emissions standards should not be characterized as a reimposed EVAS, since it is technology neutral and regulates emissions without prescribing a particular vehicle technology.

The committee also heard how federal regulation interacts with provincial policy. Mr. Leury observed that manufacturers are compelled to ship EVs to jurisdictions with sales targets, such British Columbia and Quebec. Meanwhile, Mr. Reuss and Mr. Bernard were concerned that differing provincial rules can create costs and availability barriers for dealers and consumers.

INTERNATIONAL COMPETITIVENESS AND TRADE

Competing in a Changing Global Automotive Market

Canada's automotive sector operates within a highly integrated North American industry and an increasingly competitive global market. Witnesses identified governments around the world using industrial policy, public investment, trade measures and infrastructure spending to attract vehicle manufacturing, battery production and critical mineral processing. The evidence highlighted a central tension: how Canada can preserve access to the U.S. market while reducing supply chain vulnerabilities and pursuing broader international opportunities.

> **"We're not the 51st state. We are a separate country, so we have to have our own sets of rules and regulations…"**
>
> Daniel Breton,
> President and Chief Executive Officer, Electric Mobility Canada

Some witnesses commented on Canada's position towards its largest market. Mr. Kingston declared that "[w]ith over 90% of Canadian production destined for the U.S., there is no industry without U.S. access and North American integration." He also cited tariff costs and declining domestic production as pressures on investment. Mr. Reuss believed that manufacturers are unlikely to produce vehicles solely for the Canadian market and stressed that diverging from the U.S. could injure Canada in the years ahead. Conversely, Mr. Breton argued that Canada should not allow U.S. regulatory rollbacks to determine its own policies. Ms. Doran and Mr. Allan similarly maintained that Canada competes in a global EV market and should preserve a clear domestic direction even when policies in the U.S. change.

Julian Karaguesian, Visiting Lecturer of the Department of Economics at McGill University, placed this debate in a longer industrial context. He noted that Canadian vehicle production had fallen from about three million units at the turn of the century to roughly 1.2 million 25 years later. At the same time, he indicated that EVs give Canada an opportunity to participate in global, rather than only regional, supply chains with its critical minerals, mass electricity production and emerging EV battery industry, among other things.

Minister Joly likewise emphasized diversification, telling the committee that Canada should not become wholly dependant on the U.S. She pointed out that she was working with the European Union to align industrial policies and expand export opportunities. Ms. Doran also encouraged a broader view of the market, noting that EV sales and investment continue to grow across Europe and Asia. Correspondingly, Propulsion Québec, in its brief, supported policies that maintain domestic production while improving access to international markets and technologies.

Chinese Electric Vehicle Imports

The committee heard sharply different assessments of the government's decision to allow up to 49,000 Chinese-manufactured EVs to enter Canada.[9] The Minister of Industry defined the measure as a limited quota, equivalent to 2.6% of the Canadian market and comparable to Chinese EV import volumes in 2023, part of a broader trade arrangement intended to restore access to the Chinese market for Canadian canola and Atlantic seafood products. The Minister underscored the government's intention to attach conditions to any joint ventures with Chinese companies, including labour standards and measures to protect Canadian supply chains.

Some witnesses raised concerns about the industrial and economic implications of the agreement. Margaret McCuaig-Johnston, Senior Fellow at the University of Ottawa, recounted that, in markets such as Brazil and Hungary, Chinese vehicles are assembled from imported kits in highly automated facilities that do not rely on local suppliers and therefore support fewer domestic jobs. She also observed that Chinese vehicles in Europe had been priced 10% to 15% below local competitors and questioned Canada's decision to encourage lower-priced imports. Michael Kovrig, Founder of the Global Network for Strategic Effects, articulated that greater dependence on Chinese state-supported firms and supply chains could erode Canada's industrial capacity, increase its

9 Prime Minister of Canada, *Prime Minister Carney forges new strategic partnership with the People's Republic of China focused on energy, agri-food, and trade*, News release, 16 January 2026; and ISED, *Prime Minister Carney unveils Canada's new automotive strategy to protect jobs and position our country as a global leader in next-generation vehicle manufacturing*, Backgrounder, 5 February 2026.

exposure to economic coercion and constrain federal policy-making autonomy. In his view, decisions involving strategic technologies such as batteries and EVs should be evaluated according to whether they build Canadian productive capacity and reduce long-term vulnerability, rather than solely according to their short-term effects on prices.

Witnesses representing automotive manufacturers and suppliers questioned whether the proposed safeguards would adequately protect Canadian industry. Nicole Vlanich, Executive Director of the Canadian Association of Moldmakers, outlined that market access at this scale can become market influence by shaping sourcing decisions, investment timing and supply chain participation. She informed the committee that tooling and engineering decisions are made before vehicle production begins and that, "[w]hen vehicles are built outside of North America, the associated tooling, engineering and supply chain work are also located outside North America." She and Mr. Kingston estimated that the 49,000-vehicle limit would represent approximately one-third of projected EV sales in Canada in 2026. Mr. Kingston warned that the agreement could undermine the domestic automotive sector and create risks for the North American supply chain. He expressed doubt that Chinese manufacturers would accept requirements relating to Canadian supply chains and unionized labour, and also cautioned that China could use restriction on Canadian exports to seek greater access to the Canadian vehicle market in the future.

Other witnesses viewed the preliminary arrangement between the two countries as a pathway to diversification. Mr. Karaguesian contended that stronger commercial ties with China, among other countries, could reduce dependence on the U.S. Mr. Kabbara supported the limited exposure to Chinese EVs and suggested that China's entry into the North American market was increasingly inevitable, and that Canada should manage that engagement to its advantage. Accelerate's brief similarly characterized a limited allowance of Chinese EVs as "a measured approach," while recommending that future joint ventures include protections for Canadian intellectual property (IP), requirements relating to Canadian materials and provisions for technology transfer to Canadian firms.

Benjamin Taylor, Chief Executive Officer of Beachman Motor Company Ltd., illustrated the more complex relationship that smaller Canadian manufacturers can have with China. He explained that his company designs its products in Canada, sources components from China and assembles electric motorcycles domestically for export because even relatively simple parts can cost many times more to manufacture in Canada. He also described plans for a Canadian-owned and Ontario-built EV that would use Chinese components for inputs that cannot currently be produced domestically at a competitive price.

The committee also examined whether imports could expose Canada to vehicles and components made with forced labour. Ms. McCuaig-Johnston cited evidence linking aluminum used in Chinese automotive supply chains – including in vehicles made in China by western manufacturers such as Tesla, Toyota, Volkswagen and General Motors – to Uyghur forced labour in Xinjiang. She noted that importing goods made wholly or partly with forced labour is prohibited in Canada, but raised concerns about reductions in federal enforcement capacity and the absence of explicit references to forced labour in recent guidance concerning Chinese EV imports. She reasoned that Canada should strengthen its efforts to prevent goods made with forced labour from entering the country. The Minister of Industry maintained that "Canada will never accept any form of forced labour."

BUILDING CANADA'S ELECTRIC VEHICLE VALUE CHAIN

Canada's EV value chain extends from critical mineral extraction and processing to battery materials, cells, vehicle assembly, tooling, software, IP, servicing and recycling. Although Canada has attracted major investments at several points in this chain, witnesses identified gaps that could limit the economic benefits retained in the country.

Closing the Midstream Gap

In her opening remarks before the committee, the Minister of Industry highlighted some examples resulting from the automotive strategy – such as the NextStar battery plant in Windsor, Ontario, and federal investment in Electra Battery Materials Corporation's proposed battery-grade cobalt sulphate refinery in northern Ontario – as evidence of an expanding industrial base. According to Mr. McKinnon, Canada nevertheless remains weak in the middle of the supply chain because it lacks sufficient processing and battery-material production. He stressed that without action, Canada will continue exporting raw resources while the highest-value transformation occurs elsewhere.

Mr. Kabbara illustrated the value of upstream processing, commenting that converting lithium spodumene into lithium hydroxide can increase its value tenfold, with further gains when it is processed into cathode material. He recommended that the automotive strategy's remissions framework recognize battery and materials processing as qualifying investments to encourage upstream development and extend the economic benefits of the EV transition beyond vehicle assembly across Canada. Noting global production of several materials used in EV batteries and motors is highly concentrated in China, Mr. McKinnon asserted that this concentration creates an opportunity for Canada to develop alternative sources for battery materials, and cited Nano One Materials in Candiac,

Quebec, as a leading company that produces lithium iron phosphate cathode materials outside of China.

Canadian Ownership and Industrial Participation

Witnesses highlighted that the economic value of the EV transition also depends on who owns the underlying technologies and whether Canadian suppliers participate in production. James Hinton, an IP lawyer, argued that a growing share of the value in EVs derives from patents, software and data, while Canada owns only a small share of global EV- and mining-related IP. He also pointed to publicly funded battery research that was subsequently commercialized by foreign firms. Mr. Hinton recommended establishing a national patent fund and placing conditions on publicly supported research to help Canadian firms retain and commercialize the resulting IP.

Others focused on connecting foreign investment to Canadian capabilities. Mr. McKinnon suggested that future investment agreements require collaboration with Canadian critical mineral and battery-material producers and progressively increase the use of Canadian inputs. Accelerate similarly called for safeguards relating to domestic supply, technology transfer and IP, as well as a national strategy to help Canadian materials producers commercialize strategically important technologies.

> **"A successful EV strategy is not measured only by vehicles on the road, but by whether Canadian industry has been part of making them."**
>
> Nicole Vlanich,
> Executive Director, Canadian Association of Moldmakers

Testimony from the tooling sector showed that the benefits of vehicle production are distributed before assembly begins. Ms. Vlanich explained that mould-making is foundational to Canadian manufacturing and that 70% to 80% of the sector's work supports automotive production. She expressed concern that many small and medium-sized enterprises had invested in tooling and engineering for EV programs that were eventually delayed or cancelled. She explained that, as more companies compete for fewer programs, pressure on pricing and margins can constrain long-term investment decisions, particularly in an industry where margins are typically between 5% and 10%.

Mr. Taylor offered the perspective of a Canadian start-up. He described how Beachman Motor Company had grown from two founders working in a backyard to an 8,000-

square-foot operation assembling electric motorcycles in Toronto and exporting them internationally. He called for lower barriers to entry and greater support for new and specialized EV manufacturers, emphasizing that such firms can grow during periods of technological change.

Environmental Impacts

Sophia Roy, PhD researcher and lecturer in chemical engineering at Université de Montréal, emphasized the importance of considering emissions generated throughout battery production. Her brief modelled a Canadian battery supply chain centred on Quebec's Bécancour battery hub and highlighted that nickel input from Long Harbour, Newfoundland and Labrador, "exhibits the lowest carbon footprint worldwide." She recommended establishing life-cycle GHG thresholds for battery manufacturing, drawing on the approach under the European Union's Battery Regulation, as well as recycled-content requirements to encourage lower-emission battery production.

Witnesses also raised concerns about battery recycling and end-of-life responsibility. Ms. Roy supported greater use of recycled materials and technological innovation to further reduce the environmental impacts of battery production. Mr. Breton warned that closure or foreign acquisition of Canadian recycling firms was causing used EV batteries to move to the U.S., potentially transferring up to $1 billion in recoverable critical minerals out of Canada over the coming years. Ms. Vlanich added that "Canada does not yet have a comprehensive, harmonized end-of-life framework for EV batteries and vehicles." She questioned how responsibility for imported vehicles would be assigned and whether recycling and disposal costs could ultimately fall on municipalities, taxpayers or domestic industry.

AFFORDABILITY, CHARGING INFRASTRUCTURE AND ELECTRICITY

Witnesses emphasized that EV adoption depends on the interaction of vehicle price, model availability, operating costs and access to reliable charging. Although EVs can cost less to fuel and maintain, higher purchase prices and uneven infrastructure continue to shape consumer decisions, suggesting that progress in one area is therefore unlikely to be effective without corresponding improvements in the others.

Vehicle Affordability and Consumer Access

Witnesses raised the importance of ensuring that the benefits of EV adoption are broadly accessible. Ilana Weitzman, Vice-President of Strategic Initiatives, Clean

Transportation, at Electric Autonomy Canada, emphasized the potential operating-cost savings associated with EVs. She estimated that a typical driver could save about $250 per month and noted that the savings may be particularly significant for gig and delivery drivers. Propulsion Québec's brief estimated that the total cost of ownership of an electric sport utility vehicle could be almost 20% lower than that of a comparable gasoline model.

Mr. Leury said that the Electric Vehicle Affordability Program would help stimulate demand and improve affordability. Mr. Kingston similarly supported the purchase incentive, stating that EV demand had declined when the previous federal rebate ended. Mr. Breton welcomed the gradual reduction in rebate levels as a way to provide predictability for dealers, manufacturers and consumers. Ms. Weitzman proposed preferential tax treatment for electric company cars, arguing that vehicles coming off lease after several years could help expand the used-EV market and provide more affordable options for consumers.

Improving Charging Infrastructure and Grid Capacity

Reliable charging was a consistent concern raised throughout the study. Minister Joly said the government had announced almost $85 million for 122 projects expected to install more than 8,000 chargers and had provided $1.5 billion through the Zero Emission Vehicle Infrastructure Program (ZEVIP). Mr. Allan highlighted an equity dimension, cautioning that public support for EV adoption could be undermined if its financial benefits were perceived as available primarily to higher-income residents in and around major urban areas. In his view, charging infrastructure must also reach lower-income and rural Canadians so that the benefits are more broadly shared.

Mr. Kingston stated that Canada had about 39,000 public charging ports, compared with an estimated need for roughly 450,000 by 2035. Mr. Allan explained that an ultra-fast charging port can cost approximately $125,000 and that a multi-port site can exceed $500,000, making projected utilization and future EV adoption important considerations for private investors. He argued that greater regulatory certainty could help unlock private capital for charging infrastructure and called for ZEVIP funding to continue beyond 2027, particularly in underserved areas. Mr. Kabbara similarly distinguished between high-use locations that may be commercially viable and lower-use locations that provide a public service comparable to rural broadband.

Witnesses also identified barriers to charging in multi-unit residential buildings (MURBs). Cherith Sinasac, Director of Government Affairs at Electro-Foundation Canada, voiced that installing EV infrastructure during construction can be three to four times more

cost-effective than retrofitting it later. She called for a national strategy, supported by targeted incentives, to retrofit existing MURBs and for new MURBs to be constructed EV-ready. Ms. Weitzman similarly supported assistance for energy assessments and installations in condominiums and rental buildings through the ZEVIP. Mr. Leury explained that installing the first charging stations in a MURB can require significant upfront investment in infrastructure that will eventually support all parking spaces in the building and suggested that future government programs could help address this barrier.

The committee heard that growth in EV adoption will require advance electricity planning. Mr. Kabbara explained that clearer projections of EV adoption would help utilities and charging providers determine where and when to invest in infrastructure. Jeff Turner, Director of Mobility at Dunsky Energy + Climate, proposed that EV charging could be shifted to periods when electricity demand is lower, allowing utilities to make better use of existing grid capacity. He also pointed to emerging EV applications, citing a Nova Scotia Power bidirectional charging pilot and a British Columbia Hydro demonstration in which an electric bus supplied power back to the grid. Similarly, Ms. Sinasac encouraged the government to view EVs as distributed battery assets that can eventually return power to homes, support critical equipment during outages and reduce reliance on expensive peak generation. She remarked that Canada lacks a national forum to align utilities, manufacturers, regulators and provinces on standards for vehicle-to-grid integration.

EMPLOYMENT AND WORKFORCE ADAPTABILITY

The growth of electric mobility is changing the skills and workforce needs of Canada's automotive sector. Mr. Leury acknowledged that technological change can create uncertainty for workers whose jobs may be affected and stressed that those impacts should not be overlooked.

Minister Joly stated that Canada's automotive industry directly supports more than 125,000 jobs and contributes nearly $17 billion annually to gross domestic product. She outlined investments in battery manufacturing and processing as sources of new employment, while acknowledging uncertainty for workers affected by production changes at facilities such as CAMI Assembly in Ingersoll, Ontario. Mr. McKinnon added that expanding the EV supply chain could create employment across the country in mining, materials processing, manufacturing and research. Accelerate's brief similarly projected employment growth beyond traditional automotive regions. The committee also learned that small sectoral organizations could contribute directly to workforce development. The Canadian Association of Moldmakers' brief described TechBridge, and

industry-led initiative that has trained more than 200 people in Ontario for manufacturing employment.

Mr. Bernard was nonetheless concerned about immediate labour shortages, stating that Ontario alone faces a shortage of more than 3,000 automotive technicians. He commended the Temporary Foreign Worker Program and urged for faster processing for workers already in Canada.

SECURITY, CYBERSECURITY AND SUPPLY CHAIN RESILIENCE

As vehicles become more connected and software-driven, witnesses asserted that EV policy must also address cybersecurity, data governance and supply chain integrity. The Minister of Industry told the committee that the Minister of Transport was developing a framework to protect data generated by vehicles. She also assured that software security would form part of the government's approach to future automotive joint ventures. Witnesses called for more specific safeguards governing vehicle software, data access and supply chain security.

David Shipley, Chief Executive Officer of Beauceron Security, described modern cars as "computers on wheels connected to the Internet" and requested that cybersecurity be incorporated into vehicle design. He recommended, because a widespread flaw could affect many vehicles at once, that every vehicle sold in Canada "a clearly identified fuse or hardware switch that allows the owner to disable the vehicle's Internet connection."

Neil Bisson, Director of the Global Intelligence Knowledge Network, warned that Chinese-manufactured EVs could create potential avenues for access to sensitive data and critical infrastructure because of their ability to collect and transmit information and connect with communications, transportation and electricity systems. He noted that this risk may be heightened by Chinese companies' obligations to cooperate with state intelligence services. Ms. McCuaig-Johnston raised specific concerns about Baidu software used in Chinese-manufactured vehicles, including its ability to transmit camera, microphone and GPS data and receive remote updates from China. She recommended removing the software from imported vehicles and replacing it with BlackBerry QNX and restricting Chinese vehicles from sensitive government and security locations. Mr. Kovrig made a related point, arguing that security risks should be assessed before expanding market access and with regard to the legal obligations imposed on suppliers in their home jurisdiction.

Sebastian Fischmeister, a professor of electrical and computer engineering at the University of Waterloo specializing in cyber-physical systems, drew attention to supply

chain attacks that can introduce vulnerabilities before components are delivered and deployed. He explained that malicious circuitry in battery-management systems or compromised charging systems could enable large-scale exploitation. Mr. Fischmeister advocated a "zero-trust supply chain model, in which no component is implicitly trusted regardless of its origin" and each part is "verified, measured and continuously assessed" like in sectors such as aerospace and defence.

The Automotive Industries Association of Canada believed that secure access to vehicle repair information can also contribute to cybersecurity. It maintained in its brief that proprietary systems accessible only to manufacturers can make security vulnerabilities more difficult to detect. The Association recommended "that diagnostic data, software access, and repair information be made available to independent repairers on standardized, auditable terms," arguing that such access could provide additional transparency and third-party scrutiny.

CONCLUSION

The committee's study demonstrated that the transition to ZEVs is simultaneously a consumer, environmental, industrial and security issue. Canada has important advantages, including abundant critical minerals, clean electricity, an established automotive sector, experienced suppliers and strong research institutions. The evidence also showed that these advantages will not automatically translate into a competitive domestic industry or broadly shared consumer benefits.

Witnesses differed on the preferred regulatory framework, international trade policy and the consequences of allowing more Chinese EV imports. Their testimony reflected competing considerations, including affordability and diversification, policy certainty and consumer choice, continental integration and national resilience, and access to technology alongside the protection of workers, data and strategic industries. Nevertheless, common priorities emerged, such as regulatory certainty, greater domestic processing and commercialization, reliable charging and grid planning, workforce adaptability, battery recycling and stronger cybersecurity and supply chain protections.

APPENDIX A:
LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee's webpage for this study.

Organizations and Individuals	Date	Meeting
Beauceron Security	2026/03/12	28
David Shipley, Chief Executive Officer and Co-Founder		
Canadian Automobile Dealers Association	2026/03/12	28
Charles Bernard, Chief Economist		
Tim Reuss, President and Chief Executive Officer		
Canadian Charging Infrastructure Council	2026/03/12	28
Travis Allan, President and Chief Executive Officer		
Clean Energy Canada	2026/03/12	28
Rachel Doran, Executive Director		
Electric Mobility Canada	2026/03/12	28
Daniel Breton, President and Chief Executive Officer		
Electric Vehicle Council of Ottawa	2026/03/12	28
Raymond Leury, President		
As an individual	2026/03/26	30
Julian Karaguesian, Visiting Lecturer, Department of Economics, McGill University		
Margaret McCuaig-Johnston, Senior Fellow, University of Ottawa		
Beachman Motor Company Ltd.	2026/03/26	30
Benjamin Taylor, Chief Executive Officer		
Canadian Association of Moldmakers	2026/03/26	30
Nicole Vlanich, Executive Director		

Organizations and Individuals	Date	Meeting
As an individual	2026/04/16	32
Sebastian Fischmeister, Professor		
James Hinton, Intellectual Property Lawyer		
Accelerate: Canada's ZEV Supply Chain Alliance	2026/04/16	32
Andrew McKinnon, Interim Chief Executive Officer		
Electric Autonomy Canada	2026/04/16	32
Ilana Weitzman, Vice-President, Strategic Initiatives, Clean Transportation		
Global Intelligence Knowledge Network	2026/04/16	32
Neil Bisson, Director		
The Transition Accelerator	2026/04/16	32
Moe Kabbara, Chief Executive Officer		
Canadian Vehicle Manufacturers' Association	2026/05/04	37
Brian Kingston, President and Chief Executive Officer		
Department of Industry	2026/05/04	37
Hon. Mélanie Joly, P.C., M.P., Minister of Industry		
Charles Vincent, Senior Assistant Deputy Minister, Industry Sector		
Dunsky Energy + Climate	2026/05/04	37
Jeff Turner, Director, Mobility		
Electro-Federation Canada	2026/05/04	37
Cherith Sinasac, Director, Government Affairs		
Global Network for Strategic Effects	2026/05/04	37
Michael Kovrig, Founder		

APPENDIX B:
LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's webpage for this study.

Accelerate Canada ZEV Supply Chain Alliance

Automotive Industries Association of Canada

Canadian Association of Moldmakers

Propulsion Québec

Roy, Sophia

The Transition Accelorator

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

A copy of the relevant *Minutes of Proceedings* (Meetings Nos. 28, 30, 32, 37, 46, 48 and 51) is tabled.

Respectfully submitted,

Ben Carr
Chair

CPC Dissenting report (EV)

The position

Conservative members thank the witnesses who appeared before the Committee to provide valuable testimony as well as those who submitted briefing materials. We also acknowledge the hard work of the clerk, analysts and other support staff.

The Conservatives acknowledge the evolving markets of the automotive industry as well as the challenges that the Canadian auto sector is facing in light of unjustified sectoral tariffs from the United States Administration.

Content

As a result, the Conservative Party of Canada:

- *Believes that consumers should have the choice to drive any car they choose, whether that is an internal combustion engine, electric, or hybrid vehicle;*
- *Believes that there should be no subsidies for electric vehicle production, sales or infrastructure;*
- *Believes that the government should take no additional measures that would increase the price of new or used vehicles in Canada in auto trade;*
- *Understands that Chinese-made EVs pose a threat to Canadian safety and security;*
- *Highlights that China weaponizes EV investment and engages in unfair subsidization of its EV industry and engages in harmful labour practices, including within the EV supply chain;*
- *Highlights that the United States runs a multibillion-dollar trade surplus with Canada in automobiles;*
- *Acknowledges that the US is and will remain the primary destination for vehicles assembled for export in Canada;*
- *Warns against aligning emissions standards with Europe given the interconnected automobile supply chain in North America and the differing safety requirements between the two continents.*