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Chair: Ben Carr





## Standing Committee on Industry and Technology

Thursday, March 12, 2026

• (1100)

[English]

**The Chair (Ben Carr (Winnipeg South Centre, Lib.)):** Good morning, everybody.

Welcome to the House of Commons Standing Committee on Industry and Technology.

[Translation]

Welcome, everyone. I hope you're having a good week so far.

[English]

I will begin by letting witnesses who are joining us here in the room know that, when the translation earpiece is not in use, they should place it on the sticker in front of them to protect the health and well-being of our translators.

[Translation]

I want to inform the committee that all the witnesses have completed the required connection tests before the meeting.

[English]

Pursuant to Standing Order 108(2), the committee is commencing a study of the federal government's electric vehicle policies. As colleagues know, this is a motion we passed a couple of weeks ago following a set of announcements that came from the government.

We have a few witnesses here with us today in the room. From the Canadian Automobile Dealers Association, we have Tim Reuss, president and chief executive officer, and Charles Bernard, chief economist. From Clean Energy Canada, we have Rachel Doran. From Electric Mobility Canada, we have Daniel Breton, president and chief executive officer.

For witnesses who are representing one organization, you will have up to of five minutes for your introductory remarks, following which there will be a line of questioning from the members of various political parties seated before you today.

I look forward to having a productive conversation.

With that, Mr. Reuss, I will pass the floor to you for up to five minutes.

**Tim Reuss (President and Chief Executive Officer, Canadian Automobile Dealers Association):** Thank you very much, Mr. Chair.

Good morning, and thank you for inviting us today.

The Canadian Automobile Dealers Association represents 3,400 franchise new car and truck dealers across Canada and directly employs over 178,000 people. It contributes \$28 billion to Canada's GDP and pays over \$6 billion in federal, provincial and municipal taxes. This year, our members will sell over 1.9 million new vehicles, sell over 1.3 million used vehicles and write 31 million repair orders.

I would like to start by applauding the federal government on the recently announced auto strategy. The expanded and adjusted support measures aimed at maintaining Canada's vital automotive manufacturing sector are essential as we enter the critical phase of the CUSMA review.

Dealers across Canada particularly applaud the government for ending the EV mandate and choosing a better path forward for emissions reductions that is more in line with diverse technology, charging infrastructure and overall consumer demand. While the federal movement away from an EV mandate is a positive step, two things are important.

First is that the EVAS regulation be immediately withdrawn. Allowing it to remain in place while a detailed regulatory framework is worked out on greenhouse gas emissions maintains uncertainty in the industry and leaves automotive companies in the position of managing regulatory decisions and potential penalties via press release.

Second, the remaining provincial electric vehicle mandates in British Columbia and Quebec must also be removed. While we recognize that these are provincial decisions, they are clearly inter-provincial trade barriers that make Canada grossly inefficient. Ottawa must call on the provinces, and the provinces must recognize that this internal trade barrier can be damaging, not just to consumers and dealers but to manufacturers' ability to operate in Canada. Removing the EV mandate was the first of five points in our automotive competitive framework that we released a year ago.

Since then, the government has also listened to us during the review of the Bank Act by not allowing big banks to unfairly compete with the small businesses they finance. The federal government also finally paid the debt of over \$11 million owed to dealers for the iZEV incentives.

The two matters still pending for us are the expansion of Canada's automotive regulatory framework and scrapping the inefficient luxury tax on vehicles.

On the first one, we encourage the government to continue along the path of diversifying Canada's economy. For our industry, we have recommended that Canada consider expanding its automotive regulatory framework, particularly concerning safety and emissions standards, to accept vehicles that have been deemed safe and environmentally compliant in other jurisdictions with which Canada has free trade agreements, specifically, the European Union, South Korea and Japan. These vehicles are not often introduced in Canada because of the substantial investment required to adapt their engineering and design to comply with the current Canadian and American regulatory frameworks for safety and emissions.

CADA urges the Canadian government to consider alternative methods for effectively regulating new vehicles sold in Canada. The primary goal to ensure vehicle safety and environmental protection remains while simultaneously offering a broader selection of vehicles that are potentially more fuel efficient and more affordable for consumers.

As for the second one, the luxury tax, that has been an unmitigated disaster and a clear example of an inefficient tax. Even the Parliamentary Budget Officer correctly predicted that it would never have its intended effect, as consumers would adjust their behaviour and buy around this tax. By administering the tax outside of tested systems such as HST/GST, costs have increased for the government, dealers and consumers. The process is so fraught with problems and inconsistencies that the CRA has had to issue countless clarifications. It is time for this inefficient tax to be eliminated.

Thank you for your time.

I would now like to turn it over to our chief economist.

• (1105)

[*Translation*]

**Charles Bernard (Chief Economist, Canadian Automobile Dealers Association):** Very quickly, I would just like to say in French that my name is Charles Bernard and that I am the chief economist for the Canadian Automobile Dealers Association. The corporation represents 3,400 dealerships, accounting for 178,000 jobs in Canada, and contributes about \$29 billion to the economy.

I would also like to say, once again in French, that we welcome the pragmatic approach rooted in market reality that the federal government has adopted. There are nonetheless still parts of the strategy that need to be adjusted, the first being to ensure that this mandate is removed, for all the reasons mentioned in previous consultations. It is not just a question of removing it while we wait for further consultations on the regulations to be completed. That creates uncertainty for the sector.

Lastly, as Mr. Reuss said, we must prevent provincial strongholds that add trade barriers which, for manufacturers and dealers and particularly for consumers, have a major financial impact in terms of cost and availability for the purchase of vehicles.

We will be pleased to answer your questions.

**The Chair:** Thank you very much, Mr. Bernard and Mr. Reuss.

[*English*]

Ms. Doran, the floor is yours.

[*Translation*]

**Rachel Doran (Executive Director, Clean Energy Canada):** Thank you, Mr. Chair.

[*English*]

Clean Energy Canada is a think tank based out of Simon Fraser University, focused on accelerating Canada's energy transition.

To set the stage, last year, more than a quarter of new cars sold globally were electric. This shift is being driven by the markets you'd expect—the European Union and China—but also by Vietnam's strong incentives and manufacturing focus and by Ethiopia, which once spent \$4.5 billion a year importing fuel and is now the first country globally to ban imported industrial combustion engines.

Whatever the rationale, the shift to EVs is accelerating, and by 2035, they're on track to reach 50% of global new car sales. Bloomberg notes that electrified transport is now the largest sector of the energy transition, with close to \$1 trillion U.S. spent on EV purchases and charging infrastructure in 2025.

It's a far leap to say that if Canada's auto sector is going to thrive into the future, we have to be capable of building or integrating into the supply chains for high-quality, affordable EVs, but an EV future is a bright future for Canada. We have major opportunities for producing the critical minerals, battery materials and other components that go into EVs—

[*Translation*]

**Gabriel Ste-Marie (Joliette—Manawan, BQ):** I have a point of order, Mr. Chair.

The interpreters are indicating that there is feedback and that the audio is not good enough for them to do their work.

**The Chair:** Do we know if the problem is from the witness's microphone or if it's a system problem?

[English]

We're having a brief technical issue. If you give us one moment, we're going to try to resolve it.

Thank you.

• (1105) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1110)

**The Chair:** I stopped the clock with about three minutes and 40 seconds remaining for your introductory remarks, Madam Doran, so we will continue from there. The floor is yours once again.

**Rachel Doran:** Effectively, despite U.S. action, we are on our way in Canada. Over half of the original investments announced in Canada's battery supply chain are still proceeding, even if on shorter timelines or with interim plans to produce batteries for stationary storage while the North American EV market matures. Canada's investments were wisely structured, so the majority of taxpayer dollars flow only when production actually happens.

Canada was still ranked second globally for EV battery supply chain potential in 2025. Its recent moves to expand its partnerships with South Korean, German and Chinese automakers can help bring technology know-how and anchor supply chains here to increase our future competitiveness.

It's true that the momentum hasn't been felt in the domestic EV market in the past year. Due to a series of policy choices, we were the only major car market to see EV sales decline in 2025, but we welcome Canada's new auto strategy, which is making the right moves to really start addressing this through support for upfront costs, a focus on affordability, investments in charging, and a strategic approach to trade and investment attraction. We hope to see a correction in 2026, because Canadians are not an exception to this global trend. Our polling shows that nearly half still lean toward an EV for their next vehicle, with support rising among younger Canadians or those who even know a single other person who owns an EV.

Canadians also recognize that EVs save money. Our 2026 total cost of ownership analysis finds that in comparable ICE-EV pairings, EVs save about \$2,000 to \$3,000 per year. That means up to \$30,000 over a 10-year lifespan of a vehicle.

While many more North American automakers have been recalibrating strategies amidst a changing policy environment, many do focus on EVs over the longer term, which suggests they still see the future of auto as electric and are just adjusting scale and timing.

With this in mind, Canada is headed in the right direction, but we can't stop yet. There are three key remaining actions. I would say, in addition, that I support my colleague's suggestion around the adoption of safety standards from other jurisdictions as an additional means to increase the availability and supply of vehicles in Canada.

Here are my three.

Finalize strong tailpipe standards to help power the domestic market and fuel investment. Canada has now committed to 75% by 2035 and we need regulations to come into force by 2027 to really

set certainty in the market. This kind of regulation doesn't mandate EV adoption, but it gives automakers flexibility in early years while requiring more EV sales as the policy ramps up. Similar regulations exist in the EU, the U.K., China, Japan and most major markets. Canada needs to have this kind of regulation to keep pace. Design really matters here because Canada's current passenger vehicle regulations have only reduced emissions by 1% since they came into force nearly 15 years ago, so getting this next iteration right is going to be critical.

We also need to recapitalize the zero-emissions vehicle infrastructure program. Recent investments in the Canada Infrastructure Bank are important, but then we need complements to help direct funding to places where the math may not pencil out yet. Rural and underserved communities and apartment residents should not be locked out of EV ownership.

Finally, Canada can strengthen the midstream of its battery supply chain. Using trade deals and policy tools, Canada could attract foreign direct investment in battery or vehicle production with provisions requiring collaboration with Canadian critical minerals producers and timelines for Canadian content. At the same time, we should protect IP in joint ventures, including through a national IP strategy, and use public procurement to grow markets and support innovation.

The EV future in Canada is bright. I look forward to responding to your questions.

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

[Translation]

Mr. Breton, you have the floor for five minutes.

**Daniel Breton (President and Chief Executive Officer, Electric Mobility Canada):** Thank you, Mr. Chair.

Good morning, ladies and gentlemen.

My name is Daniel Breton. I am the CEO of Electric Mobility Canada, Canada's association dedicated to the transportation electrification industry.

We represent some 200 organizations, many of them multinational, including manufacturers of cars, trucks, buses, school buses, boats, electricity providers, unions, mining companies, research centres, universities, cities, fleet managers, dealerships and charging networks.

• (1115)

[English]

According to an EY report published in 2025, there are now more than 130,000 people working in the Canadian EV industry, from mining to assembly, charging infrastructure to electricity production, and research and development to sales and education. By 2035 EY expects the number to increase, in a medium scenario, to approximately 600,000 jobs—well-paid, sustainable jobs—everywhere in Canada.

We support the federal government's new auto strategy, as it brings market predictability for industry and consumers alike. From support for EV manufacturing to charging infrastructure to EV affordability to GHG emissions regulation, this is a serious plan that brings to businesses a much-needed pathway towards developing a thriving EV industry in the country.

Before Christmas, I had a friendly conversation with the Right Honourable Stephen Harper. We both agreed that our neighbours to the south are doing everything in their power to try to deindustrialize Canada. We can't let that happen. Do you remember how President Trump said in January 2026 that the U.S. did not need any cars from Canada? Well, my uncle, my cousin and I used to work at a GM plant in Sainte-Thérèse that is now closed. We all know exactly what it's like. That's why we work so hard at EMC with our members to help make the transition a sustainable jobs transition for hundreds of thousands of Canadians.

Meanwhile—I sound like Stephen Colbert—the current U.S. administration is trying to go back 50 years on car regulations, on EVs, on air pollution, on safety and on science, basically. While the rest of the world is moving forward towards a future-driven automotive industry, the U.S. is indulging in nostalgia, as if we were in a *Happy Days* episode where the current President thinks he's the Fonz.

Canada was at a crossroads: We had to decide to follow either the U.S. in the wrong direction or the rest of the world in the right direction. The Canadian government chose the latter, and that is the right call. That's why we also agree with the government that is currently working with other countries to develop R and D, investment and manufacturing partnerships to help us move in the right direction when it comes to the future of transportation—i.e., electric transportation.

In the early eighties, I was at university. At that time, a war between Iran and Iraq erupted. It created the second oil crisis. The price of gas went up significantly, which created an economic crisis. That's when I started studying the geopolitics of energy. Forty-

five years later, while consumers around the world are suffering from the current war, the price of electricity to fill up my electric car has not changed. While the price of gas is highly unpredictable, the price of electricity is highly predictable. While oil companies are mostly foreign when it comes to oil sands, electric utilities are mostly Canadian and mostly public.

In the past 10 years, electricity-related jobs have increased by 20%, meaning that there are now more jobs in the electricity sector than in oil, gas and coal combined in Canada. Most of the EV industry jobs, from mining to infrastructure to electricity production, cannot be relocated, no matter what Donald Trump says.

[Translation]

Four years ago, I went to Norway, and two weeks ago, I went to China. What I saw in these two very different countries is the future of transportation.

In Oslo, a small northern town, and in Shanghai, which has a population of 30 million, there is an impressive number of light-duty vehicles on the roads. The buses are all electric. The scooters are all electric. The result is astonishing. With its 30 million people, Shanghai is surprisingly quiet, and the air quality is now better than in many western cities, just 18 years after the high pollution levels seen at the Beijing Olympics.

When I was younger, I worked in a bar. At the time, we thought cigarette pollution was normal. Twenty years ago, when the government banned smoking in bars, many bar and restaurant owners screamed bloody murder, saying they would all go bankrupt. That didn't happen. It's also not going to happen with the transition to electric vehicles. One day, our children will ask us how we put up with so much pollution for so long. It is a question of future jobs in Canada and public health.

I would like to say that I agree with what Ms. Doran and Mr. Reuss said about opening the door to affordable electric vehicles from other places in the world, including Europe. I think we need to let more and more affordable electric vehicles into the Canadian market because affordability is extremely important right now.

Thank you.

• (1120)

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

[English]

Colleagues, we will now start our first round of questioning. I'm going to pass the floor to Mr. Guglielmin for up to six minutes.

The floor is yours.

**Michael Guglielmin (Vaughan—Woodbridge, CPC):** Thank you, Chair.

Thank you to all the witnesses for being here today.

Mr. Reuss, I would like to start with you. You mentioned something that I think we concur with.

We're happy to hear that the Liberal government has finally agreed to repeal the EV mandate that so many people in the auto industry were calling for. One thing we're becoming increasingly concerned about is the fact that this EV mandate might be revisiting us through different means—a regulatory process that's so astounding they're essentially enforcing one through a back door.

What are your thoughts on this?

**Tim Reuss:** I was at a major manufacturer two days ago that has production in Canada as well. I had a conversation with their CEO. As that person put it, they're currently taking a bet on the future—on the next year. They are having to order parts and vehicles for either production or sales in Canada. They're having to bet on the future because they do not have certainty on what is exactly happening.

Yes, the Prime Minister has announced that the EVAS will be gone. However, right now, it is not gone. That leads to companies that are publicly traded having to disclose potential risks in the quarterly numbers they publish. This is the real-life aspect we currently have. If, all of a sudden, the repeal of the EVAS is now delayed until we have a good next step on a greenhouse gas emissions framework... That's going to take some time. It's going to take somewhere from six months to a year.

The EVAS needs to be repealed now. Then, yes—absolutely—initiate discussions on what the greenhouse gas emissions framework is going to look like.

**Michael Guglielmin:** When members of CADA appeared here last time, one of the main themes—and we heard this throughout our emergency auto study—was the need for clarity in order to breathe life into the auto sector.

You're saying that this clarity doesn't exist right now.

**Tim Reuss:** That's correct.

The manufacturers themselves don't have that clarity and are saying that they're taking bets. We should not be taking bets in the industry. We should have certainty. We should have a clear framework that everybody can work off, going forward.

That is even more so for the two provinces we mentioned, Quebec and B.C., where there's also clear uncertainty on the future of their respective mandates.

**Michael Guglielmin:** I spent much of my career in the steel supply chain, working with supply chain integration. I'm thinking about the automotive supply chain. You have different regulatory

frameworks in two different countries with such a deeply integrated supply chain.

What are the potential consequences, in your view, if there's no alignment between Canada and the U.S. on auto regulatory infrastructure?

**Tim Reuss:** We are running a huge risk long term if we do not keep some semblance of alignment with the U.S.

The reality is that we are in North America. Our supply chains are integrated in North America. If the standards drift too far apart over a number of years—we're not talking about one or two years down the road, but rather five or six—then, all of a sudden, Canada will be isolated. It will be just an island. Nobody's going to produce vehicles only for the Canadian market. That is just a reality we need to accept.

Can we then do something additionally by opening up the standards of other countries? Yes, we can, but that is on the edges. That's not going to be the core of the market. The core of our market is still alignment with the U.S.

We have to be very cognizant of the fact that, if we pick a completely different path from that of the U.S., it's not going to hurt us in the first year. Rather, five or six years down the road, it's going to be very difficult for a company to produce vehicles just for the Canadian market. The volume is not there.

**Michael Guglielmin:** A few moments ago, you spoke about the implications of the lack of clarity when it comes to the potential for an EV mandate coming in through a back door. Now we're talking about the regulatory framework that could constrain—for lack of a better word—supply chain integrations.

If we look at risk analysis for some of these companies, is that risk now being factored in—that we might end up on an island—or are manufacturers and people in the auto industry not quite there yet?

**Tim Reuss:** That is probably a question for manufacturers to answer, in terms of what sort of risk profile they are each looking at and running.

Now, obviously, we all don't want that to happen. The intent of everybody—including the government, the opposition parties and us in the industry—is to find a solution for CUSMA now, as it's being reviewed. That is currently what we have in place. It's still everybody's preferred outcome that it gets renewed and reinforced, going forward, because it is the type of framework we need as an industry. It is stable and has provided excellent results for everybody over many decades.

• (1125)

**Michael Guglielmin:** Mr. Bernard, I'm going to move to you.

CADA said publicly that members can compete as long as there's "a level playing field". When we look at the introduction of Chinese EVs, which are often subjected to subsidies that North American manufacturers might not encompass, what would a level playing field look like?

**Charles Bernard:** I think the level playing field, in our position, is in terms of how they enter the market now that they can sell those cars. We've seen that process of having foreign entrants get into the market a bit—when I was younger—with other countries. That's a process that's normal and that was expected.

We don't know all the details of the mechanics of it, but for us, there's a perspective about business practices and also business models that work very well in Canada. That has generated immense economic output for communities across the nation. We just want to make sure that when you enter the market as a foreign entrant, you're working with the same constraints that every brand is working with.

**Tim Reuss:** To be very clear on that—

**The Chair:** It will have to be very quick, Mr. Reuss, because we're out of time.

**Tim Reuss:** Yes. On that point, to be very clear, we're advocating, for any new market entrants, for Canada and the Canadian government to administer the import quotas and provide the import quotas only to those companies that operate with a franchise dealer model in Canada.

**The Chair:** Thank you.

Madam O'Rourke, the floor is yours for six minutes.

**Dominique O'Rourke (Guelph, Lib.):** Thank you.

Welcome, everyone. We've all met before in the context of the Liberal auto caucus. I appreciate your attendance here today.

Before I ask a couple of questions, I wanted to frame that I think the market will lead. The industry is actually leading in the EV space. We're seeing this globally and, because we're talking about the Americans, despite the volatility in late 2025, U.S. consumers purchased nearly the same number of EVs in 2025 as in 2024. If the market demand is there, then the production will be there as well.

Just to talk about market demand, this question is for Madam Doran and Monsieur Breton. Budget 2025 introduces the productivity superdeduction that will allow immediate expensing for zero-emissions vehicles, meaning businesses can write off 100% of their vehicle EV fleet in its first year. It also allows for a 100% deduction of capital investment so that auto manufacturers, or any manufacturers in Canada, can write off any sort of retooling in their first year, giving Canada the lowest marginal effective tax rate in the G7.

Coupled with the auto strategy that has \$1.5 billion for charging infrastructure to get away from some of that range anxiety that you mentioned, and for rural and northern communities in particular, we have returned to the consumer incentives for EVs and plug-in hy-

brids, and we have significant support for domestic auto manufacturers.

Given this set of tools the federal government has brought about in the last three months, how do you feel that will impact demand for EVs in Canada and buoy the demand and the automakers?

**Rachel Doran:** I can start.

I think it was telling when you saw the responses to the auto strategy from organizations like ours that are studying the energy transition, as well as a number of automakers and others, and they came out in favour of the auto strategy. I think there were a lot of good wraparound supports there, as you said, both on the supply side and on the demand side.

That said, I will say that I think governments need to have a role, and they are globally having a role. When you look at countries around the world, you see that 37 countries worldwide have established or proposed fuel efficiency or greenhouse gas emissions standards. I would reiterate that I think that's a really critical and important part of the full package of what Canada has undertaken to do.

In direct response to your question, I think we expect to see Canada really shift from where it was last year, which was lagging globally, and to see some real increased momentum this year and some enthusiasm from consumers who were waiting to see if the rebates would be introduced or to see the direction that Canada would be headed in. We still have work ahead to really set—and I think everyone here would agree—a certainty that, within the year, would be very helpful. For us, really, it's that standard that's going to ensure automakers are directing investments and helping EVs be affordable for the Canadians who want them. Those regulatory policies are really a critical secondary component.

• (1130)

[*Translation*]

**Dominique O'Rourke:** Mr. Breton, would you like to answer?

**Daniel Breton:** Well, I would say that we really welcomed the policy on the whole. For the first time in a very long time, we have seen different departments working together rather than in silos, and that changes everything.

We have often said to people at the Department of Transport and at Environment, Industry and Natural Resources that we didn't just want regulatory announcements, but rather announcements about infrastructure and the manufacturing sector to provide consistency in policies. That is something that should be done more often, by the way.

The reality is that we sense there is some momentum right now. I can say that because I've had discussions with some members of Electric Mobility Canada, who told me that after the federal government's announcement, it didn't take weeks for orders to start coming in again, but just a few hours, including for charging infrastructure. We can see that it has a real impact.

In terms of EV sales, I'm sure that when you look at the numbers for the second and third quarters of 2026, you'll see that they have started climbing again, especially since the government has announced that EV purchase rebates will decrease over time, from \$5,000 to \$4,000, \$3,000 and then \$2,000, to make things predictable for dealers, manufacturers and consumers.

Predictability and affordability are what we need, and that is something that is sorely lacking these days in the rest of the industry and in the rest of society.

**Dominique O'Rourke:** Perfect, thank you. I will get back to you in a minute.

I just have a quick question for Mr. Reuss or Mr. Bernard.

[*English*]

Is it CADA's position that you would like to see the Government of Canada support temporary foreign workers as mechanics? I understand that there's a lack of qualified technicians across the country for EVs, as well as for IC engines.

**Charles Bernard:** It's a huge issue. The tech shortage in the auto industry, specifically for dealers, is a wall we're facing and our industry is going to hit. Every ambulance, fire truck and car of nurses and politicians requires repairs by technicians. Only in Ontario are we facing a shortage of upwards of 3,000 workers who can fix those cars. During COVID, dealers were recognized as essential services because of the service they provided, mostly on the cars being used on the roads for nurses and doctors, so it's an essential issue.

For the temporary foreign worker program, its existence has not only helped, but been a key part in providing the provinces the ability to go and get the workers they need. What I'd say from a more granular standpoint is there are workers who are already here who just need their paperwork to be done rapidly.

**Dominique O'Rourke:** I need to stop you, because I want to get back to Madam Doran and Monsieur Breton.

**The Chair:** Madam O'Rourke, I'm sorry, but that is your time. I'd encourage you to talk to your Liberal colleagues, who might be feeling generous about sharing their time later.

[*Translation*]

Mr. Ste-Marie, you now have the floor for six minutes.

**Gabriel Ste-Marie:** Thank you, Mr. Chair.

Greetings to the witnesses. Thank you for being here and for what you have said. It is greatly appreciated.

First, I would like to echo what my colleague Ms. O'Rourke said: We sincerely hope that the government will change its position on the renewal of temporary worker permits. We've been waiting for more than two years now for the government to take a pragmatic approach.

Second, I would like to thank my colleague Ms. Dancho for proposing that the committee conduct this important study.

Mr. Breton, I'd like to start by asking you if you have any general comments on what has been discussed since the meeting began. In particular, I'd like you to speak to the harmonization of electric vehicle regulations. Should Quebec follow what Ottawa is doing?

**Daniel Breton:** The answer is no.

I know that the people from the Canadian Automobile Dealers Association and a number of representatives from the traditional automotive industry would like there to be only one regulation for everyone in North America. For many businesses, Canada is not a country, but a market. In their view, respecting what elected officials in a province or country do should be less important than respecting market rules. As a former minister, I find it extremely unacceptable to even suggest something like that.

In Quebec, we account for between 22% and 23% of Canada's population, and we have 46% of electric vehicles. So we're way ahead of the rest of Canada. When people say that instead of having our own zero-emission standard in Quebec, or in British Columbia for that matter, we should just stop being a leader and follow the rest of Canada, which means that we should follow Alberta or Saskatchewan.

I find it incredible that people are saying that elected officials in Quebec should bend to what the federal government is doing. I find that completely unacceptable because there are elected officials in Quebec who pass legislation in Quebec in the interests of Quebecers, as is the case in British Columbia and in all the provinces.

• (1135)

**Gabriel Ste-Marie:** Some points have been raised and I would like to ask you to respond to them. From what I've heard, the Canadian automotive market is small. Will the major manufacturers comply with the standards that are imposed in Quebec, for example, or in Canada as a whole? What can you say about that?

**Daniel Breton:** Norway has a population of 5.5 million people and 97% of sales are EVs. It doesn't seem to be a problem in Norway, where there are very specific and different regulations.

Looking at the Canadian market, it is now bigger than the California market. More new vehicles are sold in Canada now than in California. So it is completely untrue that Canada is too small a market for manufacturers to adjust to.

I find it quite surprising. On the one hand, people think it's good news that the Canadian government has removed the federal zero-emission standard and adopted the greenhouse gas emissions standard. We said we agreed on that. On the other hand, people are saying that it's as though they're reimposing a zero-emission standard through the back door, which is not true at all, because it's very different.

Those criticisms come from both automakers and people in the opposition, who say that we should be agnostic when it comes to technology. Well, that's what the greenhouse gas emissions standard is. It's exactly that. So we have to be consistent when criticizing Canadian government policies.

I can tell you that we pushed for the implementation of the federal zero-emissions standard. We are nonetheless prepared to live with the greenhouse gas emissions standard. We think it's okay. Among other things, it will help manufacturers like Honda and Toyota, which manufacture hybrid vehicles in Canada. They would not have gotten zero emission credits, but they will get greenhouse gas emission credits. We hear that, we understand that, we're pragmatic. However, we still have to be consistent when criticizing what the government is doing.

**Gabriel Ste-Marie:** I have some more questions for you, Mr. Breton.

Mr. Bernard or Mr. Reuss, do you have anything to add?

**Tim Reuss:** Yes.

I'll answer in English, if you don't mind.

[English]

First of all, ideology met market reality in Canada and also in the provinces of Quebec and B.C. By market realities, we mean consumers' demand. It is higher, yes, in the provinces of Quebec and B.C. than federally, but at the end of the day, it's nowhere near what the respective regulations established, be it federally or in Quebec or in B.C.

What we're advocating is not against EVs. It is advocating against mandates and regulations that are not based on market realities. When those percentages cannot be met, you need to adjust. That applies as well for Quebec and B.C., regardless of whether they choose a different method of calculating or how they arrive at their percentages. Even in Quebec, the demand was nowhere near what it needed to be to reach the Quebec targets; therefore, it needs to be adjusted.

As to the regulations, the regulation itself is called EVAS—electric vehicle availability standard. It wasn't called zero-emissions availability standard.

[Translation]

**Gabriel Ste-Marie:** Thank you, Mr. Reuss.

We have 30 seconds left, Mr. Breton. Go ahead.

**Daniel Breton:** What he is saying is not true.

The latest figures on the number of credits granted to automakers over the past four years came out two days ago. What we're seeing is that, with EV sales, automakers have accumulated so many more

credits than they needed that they can significantly reduce their sales without facing any penalties. The vast majority of automakers do not have to buy any credits.

If Mr. Reuss looks at the latest figures on Quebec's zero-emission standard, which came out this week, he will realize that what he is saying is not true, unfortunately.

**The Chair:** Thank you, Mr. Ste-Marie. That's all the time we have.

[English]

Mr. Falk, the floor is yours for five minutes.

**Ted Falk (Provencher, CPC):** Thanks, Mr. Chair.

Thank you to all the witnesses for your presentations.

Mr. Breton, I'll start with you.

Did your organization receive \$300,000 of federal funding to develop training curriculum for the ZEVs? Did you receive a federal grant?

**Daniel Breton:** We received funding to train dealers for the sale and maintenance of electric cars two or three years ago.

**Ted Falk:** Then you have a vested interest in promoting EVs. Is that correct?

• (1140)

**Daniel Breton:** The name of our organization is Electric Mobility Canada. This is the mission of EMC.

**Ted Falk:** The answer is yes. Thank you.

I'm not against EVs. I think they have their place. However, it seems to me that the whole EV market wouldn't exist without government subsidies. I'm not sure that would apply to the rest of the automobile industry.

**Daniel Breton:** Can I reply to that?

**Ted Falk:** No. You've answered it for me. Thank you.

Mr. Reuss, I would like you to explain to the committee what the demand for EVs has done in the last year in Canada.

**Tim Reuss:** The EV demand last year was also heavily influenced by the announcements of the government at different points in time on whether EV incentives were to come back or not. That led, in the beginning of the year, to some consumers holding off on their purchases. If they knew or had read an announcement that some money may be coming back from the federal government, they held back.

I have to go one year further back, to the end of 2024, and especially to the last quarter, when the demand in Quebec was very high because everybody understood that come January, the Quebec-specific EV incentives were going to decrease substantially. Therefore, there was a pull forward demand in 2024 that then led to lower numbers in 2025.

What we have seen so far this year—coming back to a member's earlier question—since the announcement of the auto strategy is a positive effect on the marketplace for EVs. To be very clear, our members are not against EVs. EVs are and will continue to be a vibrant part of the market. It's just that they're not the only solution, and the demand is not there to reach the numbers the government foresaw at the time.

**Ted Falk:** You represent dealerships. Do your dealerships comment at all on the resale value of used EVs?

**Tim Reuss:** Yes. We're now starting to see EVs come back into the marketplace after the first cycle. This is an interesting aspect, as well, because the main part of the value of a used EV is the health of the battery. Will the battery last, yes or no?

Initially, there were some issues with dealers being able to diagnose correctly the health of a battery that is an off-brand. If you're a dealer of brand A, but you're receiving a trade of brand B, are you able to assess that? There are different tools, different architectures and things of that nature. Those were the initial issues we were dealing with technically to properly assess the value of a used EV. Those things are slowly being worked out and worked through.

We estimate that in North America, we're going to have somewhere close to roughly 30,000 EVs coming back on a monthly basis very soon. They're starting to go through the regular paces of auction houses and things like that. That's going to become part of normal life, as with other used vehicles.

**Ted Falk:** Are they seeing a significant difference in used valuations between a comparable EV and a petrol-powered automobile of the same vintage?

**Tim Reuss:** That is very difficult to assess. Because you don't have the same vehicle with either internal combustion or EV drivetrains, that's very difficult or almost impossible to assess.

**Ted Falk:** What do your dealerships think about the Chinese EVs?

**Tim Reuss:** We have started engagement, mainly with the government and the brands that are thinking about how that should work in Canada, to make sure that the brands potentially coming to Canada understand that they will work with dealers in a franchise system and that they will adhere to our Canadian business practices, so some of the things they might be doing in other parts of the world will not fly in Canada.

What contractual frameworks look like in Canada and things of that nature.... They must become members of our mediation and arbitration process that we have with dealers in Canada and become part of the industry associations in Canada and part of CAMVAP, which is the consumer protection system we have in Canada, so that they play by our rules in Canada.

**The Chair:** Thanks very much.

Colleagues, I'll note that because of the technical difficulties and a pretty packed agenda today, we may be looking at a reduced amount of time in our third round.

Mr. Bains, the floor is yours for five minutes.

• (1145)

**Parm Bains (Richmond East—Steveston, Lib.):** Thank you, Mr. Chair.

Thank you to our witnesses for joining us today.

I'll go first to Monsieur Breton. You wanted to finish some comments from a question from the other side, so if you would like to, you can take some time to do that.

**Daniel Breton:** The market is evolving around the world. The issue with saying we should align with the U.S. is that the U.S. is basically eliminating all of the regulations, whether they're on GHG emissions, EVs or fuel consumption. This means that if we were to align with the North American framework, as we have done in the past, we would roll back 50 years, back to 1975. This would be a major problem for Canadians as a public health issue, a technology issue and a science issue.

I don't think we want to go in that direction. We're not the 51st state. We are a separate country, so we have to have our own sets of rules and regulations, and Canadians agree with that.

**Parm Bains:** Thank you, and we will never be a 51st state.

Let's fast-forward; let's not look back 50 years. I want to talk a little bit about semiconductors. Can you reflect on the significance of semiconductors and how EVs in Canada should account for vulnerabilities in the global semiconductor supply chain?

**Daniel Breton:** We basically realized during COVID that we had let too many of our industries go to Asia, mainly China, when it came to semiconductors and battery technology. We have to rebuild the supply chain in Canada, and that's what the federal government is trying to accomplish right now.

It's not an easy task, because we've gotten used to getting these made in China. The computers are made in China. The batteries made are in China. The supply chain has been transferred to Asia for decades. To rebuild this is not an easy task, but I think that, if we don't do that, we won't have a manufacturing industry anymore in Canada. To me, this is key to the future of automotive—but also beyond automotive—manufacturing in the country.

**Parm Bains:** Thank you for that.

Richmond, British Columbia is home to the largest auto mall in Canada, so I'll go to the Auto Dealers Association for the next question.

In a recent news release published by Clean Energy Canada, you indicate that distributed energy resources like EVs and heat pumps could reduce 10% of peak electricity demand in B.C. Can you elaborate on how we can make this a reality for British Columbians?

Whoever has the answer, please answer.

**Rachel Doran:** We recently released a study suggesting that distributed energy resources could reduce B.C.'s peak demand. Effectively, we've been talking a lot about electric vehicles as a draw on the grid. Maybe what we're not talking about as much is what's going to happen in tandem, which is that those EVs hold batteries that can charge at different times of the day.

We're building out our electricity grid right now in this very old-fashioned way to meet the biggest demand at the highest hours of the day. Because we can use those electric vehicles eventually to feed power back into the grid, that's going to really allow us to control demand to times of the day when there is a lot of electricity to spare. It will pair very well with an increase in renewables on grids to be able to use resources like EVs.

We have a ways to go in Canada to develop the right regulatory framework to get there, but this is a potential study that really shows how much it's going to be able to save grids and the cost of electricity build-out in the long run.

**Daniel Breton:** Very quickly, one more thing that people seem to forget is that we've been working on hardware when it comes to cars for decades, if not over a century. More and more, cars include software, semiconductors and microprocessors.

I don't know if you know about this, but hundreds of people are working for Rivian, the car manufacturer in B.C. They're developing software, and they're working in conjunction with Volkswagen in Ontario, because more and more, when you look at a car, it's almost a computer on wheels, whether it's a gas or electric car. This is something that we are really strong at and in automation as well. Most people don't know about this, but when it comes to automation, Canada is one of the leaders in the world.

• (1150)

**Parm Bains:** I'll go to Ms. Doran.

You mentioned in your introductory comments that Canada and Germany just signed an MOU. Can you elaborate on how the MOU relates to the new auto strategy of the Prime Minister and what this means for the future?

**The Chair:** We're over time. I'm going to give you 20 seconds to answer that.

**Rachel Doran:** We're enthusiastic about Canada's bridging relationships with new markets. We can't keep out the countries that are producing EVs. We need to build our supply chains to integrate them. With selective competitiveness, the future growth of our industry is going to be better, and our critical minerals and other resources will be anchored into those global leaders as well.

**The Chair:** That was well done. Thank you.

[Translation]

Mr. Ste-Marie, you have the floor for two minutes.

Ms. Dancho will then have two and a half minutes, followed by two and a half minutes for Mr. Ma. That will end our first round of questions.

**Gabriel Ste-Marie:** That's great. Thank you very much.

I have a question for the retailers and for Mr. Breton about the recognition of European safety standards to open the door to new EV models.

Could you comment on that? You have one minute each.

[English]

**Tim Reuss:** From our perspective, it is something that Canada can do in addition to trying to keep a continuous alignment with the U.S..

Vehicles that have been deemed safe enough and environmentally okay to be driven in the European Union, Japan and Korea are more than okay to be driven on Canadian roads. The example I always give is, if you can drive a car at 200 kilometres an hour on a German autobahn, why wouldn't it be safe to be driven on a Canadian highway? This is the approach we're taking, but again, this is something that can be done in addition. It's not for the core of the market; it's for a small addition to the market.

[Translation]

**Gabriel Ste-Marie:** Thank you.

Mr. Breton, you have the floor.

**Daniel Breton:** Actually, to add to what Mr. Reuss was saying, I spoke with a German government official in December about people saying that European vehicles were not as safe, and I was told that the German government was quite insulted to hear that.

I would like to add that there is one part of the equation that has not been considered by the current government, and that is critical minerals. We have a critical minerals strategy, but we've completely forgotten about battery recycling.

Lithion Technologies was dismantled and bought by an American company, and Li-Cycle went bankrupt, which means that, for the time being, electric vehicle batteries are being transferred to the United States.

By transferring electric vehicle batteries to the United States, we're potentially shifting a billion dollars in critical minerals to the United States by 2030, 2031 and 2032, because that wasn't taken into account in the critical minerals strategy.

I think the Canadian government and elected officials must definitely consider the critical minerals aspect of batteries because they are of significant economic, ecological and geostrategic importance.

**Gabriel Ste-Marie:** Thank you very much.

**The Chair:** Thank you, Mr. Ste-Marie.

[English]

Madam Dancho, go ahead for two and a half minutes, please.

**Raquel Dancho (Kildonan—St. Paul, CPC):** I'm going to follow up with you, Mr. Reuss, about a comment you made earlier on Chinese EVs when they're entering other markets. You've sort of indicated with your tone and your language that what happened to those countries was not a good situation in some ways. I'm sure you're aware that Volkswagen, a German company, has had to pause production of one of its German EV plants amid weaker demand, while at the same time Chinese automakers have been gaining a share in Europe. BYD's EU sales in particular rose sharply by nearly 250% in the first eight months of 2025 compared to the same period of 2024.

Again, we're seeing a German EV maker—a long-time auto manufacturer—power down in some ways, while Chinese EV imports in Europe are powering up. Can you just elaborate on some of the experience that you're aware of?

**Tim Reuss:** On the business practices that I was referring to, let me give you one concrete example. We made sure that the manufacturers understood that if they have a dealer network in Canada, certainly what we would want is that each contract is going to look exactly the same, whether a dealer sells 100 vehicles or 1,000 vehicles. That was news to them.

In other countries, they've instituted contracts that are dependent on the dealer size. No, that's not business practice in Canada. The contracts have to be exactly the same. Yes, the name of the owner and the location of the dealership might be different, but the contractual conditions have to be exactly the same for everybody. We have NADAP, which is our national automobile dealer arbitration program in Canada. It is used by dealers and manufacturers to resolve things if they have disputes—not necessarily going the legal route each time. Brands and dealers have the right, and we strongly support them, to build dealer councils, which means a group of dealers will negotiate things on behalf of dealers with a manufacturer.

It's things of that nature that might not have been common for them in other countries—not necessarily Europe, but more South America and in certain Asian countries in the Asia-Pacific. We've had good conversations externalized on what it means to do business in Canada and so far we're being listened to.

• (1155)

**Raquel Dancho:** Thank you.

**The Chair:** Mr. Ma, the floor is yours for two and a half minutes, please.

**Michael Ma (Markham—Unionville, Lib.):** Thank you to the panel for being here.

Mr. Reuss, representing the dealers, you mentioned earlier that you would want the new EV manufacturer or shipments coming in to Canada through dealers like the people you represent. What are your thoughts on the current one that doesn't use dealers and sells directly? How should we address that?

**Tim Reuss:** There are a certain number of manufacturers, specifically Tesla, Lucid and Rivian, that don't use dealers. They have what's called a direct-to-consumer model. Even though you might see, let's say, a dealership or a store that's owned by their corporate

entity, any and all profits go straight up to corporate headquarters. There is no involvement with a local community.

As you all know, in your local communities, you might be buying from Jane or John Doe, who happens to have a franchise by X or Y brand in your location. That owner is anchored in their local community. You will, a lot of times, find their names on local schools, hospital wings, hockey rinks, etc. Why? It's because they're tied into the community. This is what our members do. There are 3,400 across Canada in small towns and rural towns. This is why—and it's been proven—it's the best and most efficient way to go into markets. Interestingly enough, the Chinese manufacturers who are thinking of coming to Canada also realized that this is the fastest and most efficient way to get into the marketplace.

**Michael Ma:** That's great. Thank you.

An extension to that question is this: With electric vehicles, maintenance demands certainly go down significantly. What is the industry working on to remediate that and move forward with that?

**Tim Reuss:** One myth is that our members don't like EVs because they don't produce as much on the back end—on the service side. That is patently untrue. Coming back to the early example from Norway that Daniel was mentioning, we had one of the largest Norwegian dealers come to Canada two years ago and explain to our members what it's like to live in an EV normality, where a majority of the market has gone to EVs. Guess what? There are other revenue sources they might not be thinking of. One example is tires. EVs eat tires. They're a lot heavier. They have a higher torque.

There are other revenue sources and other things EVs require that an internal combustion engine does not require. Therefore, the other piece is this: Since these are highly complex vehicles, in the beginning, not everybody will be trained to properly service them, so more of those vehicles will come to them instead of going to other, let's say, after-market workshops that are not dealership-owned.

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

Witnesses, I very much appreciate your testimony here.

Colleagues, just before we break, I want to draw your attention to a very important milestone birthday for Mr. Bardeesy. I don't want to give it away, but it starts with a five and ends with an even number that's on the lower side of the decade. I wish a happy birthday to Mr. Bardeesy. His staff has been so kind as to provide some cupcakes in celebration of that. I'm told to let people celebrate.

**Some hon. members:** Hear, hear!

**The Chair:** One member who's a little older said, yesterday, that he remembers 50 fondly and that Mr. Bardeesy should embrace this stage of his life.

**Karim Bardeesy (Taiaiko'n—Parkdale—High Park, Lib.):** It's been 50 years of clean vehicle emissions standards and 50 years of cupcakes.

**The Chair:** Thank you to the witnesses. We appreciate it.

Colleagues, we're going to suspend for five minutes. We'll turn it over to our second panel.

• (1155) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1205)

**The Chair:** Colleagues, we'll get going with the second hour of our panel of witnesses.

Joining us virtually today is David Shipley, chief executive officer and co-founder of Beauceron Security.

• (1210)

From the Canadian Charging Infrastructure Council, we have Travis Allan, president and chief executive officer. From the Electric Vehicle Council of Ottawa, we have Raymond Leury, president.

Welcome to all. You each have up to five minutes for your introductory remarks. Following that, we will go to the same line of questioning we had in the previous panel.

Mr. Shipley, I will turn the floor over to you.

**David Shipley (Chief Executive Officer and Co-Founder, Beauceron Security):** Thank you so much, Mr. Chair and members of the committee. Thank you for the opportunity to appear today.

When we talk about electric vehicles and cybersecurity, we need to start with a simple truth: The issue here isn't the power plant; it's the connectivity. Whether a vehicle runs on gasoline, diesel or electricity, modern cars are increasingly computers on wheels connected to the Internet. If a vulnerability in a smart phone crashes an app, it's inconvenient. If a vulnerability connected to a car is exploited, it can be deadly.

We have already seen what happens when those computers on wheels are insecure. In 2015 security researchers remotely hacked a Jeep Cherokee while a journalist from Wired was driving it on a Missouri highway. They cut the transmission, leaving the vehicle unable to accelerate while travelling at highway speed. In further testing, they demonstrated the ability to control the steering and disable the brakes. That vulnerability forced the recall of 1.4 million vehicles.

Little has improved since then. Recently, a cyber-attack hit a Russian company that provides Internet-connected vehicle alarm systems used across multiple car brands. The attack knocked the company's infrastructure off-line. Thousands of drivers suddenly could not unlock their cars, start their engines or disable their alarms. Some even reported engines shutting down unexpectedly while driving.

The threat to connected vehicles is not hypothetical. It is not in the past. It is a clear and present danger.

Connected vehicles also collect enormous amounts of sensitive information. They capture precise location data, telemetry about how we drive, and often audio and video recordings from inside and outside the vehicle. A connected car is no longer just transportation; it is also a rolling surveillance platform. China banned Tesla vehicles from its military bases and sensitive political gatherings for good reason.

In the wrong hands, a vulnerable connected car can also be a weapon. That creates real risks—risks from nation-states seeking intelligence; risks from cybercriminals stealing vehicles or exploiting owners; and, increasingly, risks from intimate partner violence, where connected vehicle apps can be used to track victims. Some countries have begun to recognize this risk. Poland, for example, is considering restrictions on Chinese-made connected vehicles entering military bases because of espionage concerns. Those concerns are legitimate. China's national security laws can compel companies to co-operate with intelligence services.

But we should also be honest about history. The Snowden disclosures showed that western governments have also pressured companies to compromise technology in the interests of those states. China did not invent that playbook; they studied it. Governments are not the only concern. Investigations have shown employees at major automakers sharing sensitive images recorded by vehicle cameras. Regulators have also taken action against manufacturers accused of collecting and selling drivers' location and behavioural data.

To be clear, this is a privacy issue. It's also a consumer protection issue. Increasingly, it's also a public safety and national security issue. Connected vehicles are also a risk in Canada's auto theft crisis. Vehicles that rely on wireless connectivity and poorly secured communications become easier for criminals to locate, unlock and steal. The risk doesn't stop with manufacturers. Aftermarket entertainment systems, telematics devices and security systems introduce vulnerabilities as well.

The reality is that we're not going back to a simpler time, one where we don't have Internet-connected features, but there is a way for us to do this in a much safer way. I would like to make four recommendations.

First, every Internet-connected vehicle sold in Canada should include a physical connectivity kill switch, not software, but physical, a clearly identified fuse or hardware switch that allows the owner to disable the vehicle's Internet connection. If a widespread vulnerability emerges, and one day it will, Canadians should be able to disconnect their vehicles immediately.

Second, Canadians deserve a “connected car bill of rights”. Drivers should know how long manufacturers must provide critical security updates. If you paid for the car, you should control the data. Drivers' data should not be sold or shared without meaningful consent. That consent should not be coerced by threatening to disable features in a vehicle someone already owns.

Third, Canadians deserve a strong right to repair. If a manufacturer abandons software support for a vehicle, owners and qualified technicians must be able to maintain and secure those systems themselves. Cars last decades. Connectivity should not expire after a few years.

• (1215)

Finally, security must become a baseline regulatory requirement for connected vehicles sold in Canada, security by design with independent testing and responsible disclosure. We would never allow a car on Canadian roads with known defective brakes. We should not allow cars on Canadian roads with known defective cybersecurity. The Jeep hack was a warning shot. The Russian cyber-attack disrupting connected vehicles shows what happens when those kinds of warnings are ignored.

My question for the committee is easy. Will Canada act now or wait for the first cyber-attack that shuts down cars on Canadian roads?

Thank you, and I look forward to your questions.

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

Mr. Allan, we'll turn the floor over to you for up to five minutes.

[*Translation*]

**Travis Allan (President and Chief Executive Officer, Canadian Charging Infrastructure Council):** Good afternoon, Mr. Chair and members of the committee.

[*English*]

Thank you for having me.

My name is Travis Allan. I'm the president and chief executive officer of the Canadian Charging Infrastructure Council. We represent Canada's EV charging industry.

I'd like to start with my top message. We see Canada's new automotive strategy—which has a thoughtful blend of incentives, greenhouse gas regulation and capped allowances of new globally leading EVs allowed into Canada—as a national job strategy. The charging sector is ready to deliver on its part.

To realize the value of this strategy and to deliver on our national EV targets, I would suggest that the committee focus on two key areas. First is the need to implement clear, credible greenhouse gas emissions standards for vehicles. Second is calling for the recapitalization of the highly successful zero-emissions vehicle infrastructure program, ZEVIP, which is run by NRCan, beyond 2027.

While many have identified the important local job benefits to southern Ontario from our automotive policy, I want to note that this is actually a Canadian issue. We see this as a broader Canadian job generator because when we look at our members and survey them, they tell us that between 50% and 65% of every dollar spent

on installing EV charging stations across Canada goes to local civil and electrical trades—which means great jobs—as well as to utilities.

We estimate that a typical ultra-fast charging station is around \$125,000 per port to deploy in Canada.

We've conducted preliminary analysis on the release of the Canadian automotive strategy and specifically on the targets of 75% ZEV sales by 2035 and 90% by 2040. Our preliminary modelling suggests that this could lead to over \$4 billion of public fast-charging investment alone in Canada, to say nothing of the private charging investments.

The key issue here is that these regulations need to be credible and sufficient to meet Canada's objectives. In that case, we know the charging industry can deliver. Paren recently reported that, despite uncertainty, Canada's charging industry added 1,925 new fast-charging ports in 2025, which is a 28% increase year over year, reaching 8,804 total ports.

Analysis from the CCIC indicates that Canada's public fast-charging deployment growth has risen 25% year over year in each year since 2020. That is despite several headwinds we're all familiar with over that period.

The big question that our members face is this: Can we predict how many people will be driving EVs over the next decade? A typical ultra-fast charging site can cost upwards of \$500,000—even a million dollars—because it usually involves multiple ports. Charging companies are accountable to sophisticated capital providers. These include lenders and investors who need to see an economic return. That's why they closely analyze projected traffic and numbers of EV adoption over the eight-year to 12-year period that they are typically looking at in order to deploy charging stations.

This cycle means that regulatory certainty today can help deliver billions of dollars of infrastructure investment for tomorrow. If we don't have credible standards, if we don't have standards that allow us to do this modelling, that can severely interfere with the ability to leverage that private capital to deploy.

The other really important issue is making sure that all Canadians get to take advantage of the cost and use benefits of electric vehicles. That means looking at areas that have low charge reports deployed per capita—which we call underserved—and looking at areas of multi-unit residential buildings like condos, strata and apartments.

While the CIB's program, which will get \$1.5 billion, will play a key role in areas where we know we're going to have a lot of EVs, the ZEVIP, which is run by NRCan, plays a very important role for these other regions. It is specifically designed and has been very successful at deploying in low-density areas and also in multi-unit residential buildings. It's a real focus for our industry to get that re-deployed beyond the 2027 funding cycle.

I will pause there, but I look forward to any questions you may have. Thank you.

• (1220)

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

Mr. Leury, the floor is yours.

[*Translation*]

**Raymond Leury (President, Electric Vehicle Council of Ottawa):** Mr. Chair, members of the committee, thank you for inviting me to speak today.

[*English*]

EVCO is a volunteer-led, non-profit organization that was founded almost 50 years ago. EVCO is not affiliated with the industry, so we're truly an independent voice that brings a pragmatic view based on science and economics. I'm here to represent the voice of ordinary Canadians and EV owners across the country.

The electrification of transportation and, indeed, much of the rest of the economy is inevitable for economic reasons. It's simply cheaper to run on electricity. It's an economic argument. Either Canada leads on electrification or we are led. Being led means that the Canadian auto industry will continue to shrink and become irrelevant, with many lost jobs. We are already seeing an auto industry wherein vehicle assembly has declined from \$2 million in 1997 to \$1.3 million in 2024. The U.S. administration—as mentioned before—is worsening the problem by actively trying to shift jobs to the U.S.

Leading, however, would mean expanding an auto industry and providing good jobs for hard-working Canadians. It also means other opportunities in adjacent industries, as illustrated by electric aircraft for Harbour Air in B.C. and other projects across the country. The U.S. has decided they will be followers. That gives us a unique opportunity to be leaders here in North America.

Transitions are hard, and incumbents resist change. Kodak invented digital photography, but they still went bankrupt. In my IT career, I've lived through a number of different transitions, all of which were challenging. I know how difficult and gut-wrenching it can be to face a transition with an uncertain future and my job at risk. We can't forget to support the workers and the communities that will be inevitably affected.

There are many examples of the auto industry telling us that policy will damage or destroy the industry. Seat belts, airbags, catalytic converters and many other technologies faced significant resistance. The role of policy is to create predictability and a level playing field that allows adoption to proceed and society to benefit.

The EVAP will help stimulate demand and improve affordability. There are clear signs that manufacturers have responded by reduc-

ing prices and increasing incentives to allow their vehicles to fit under the \$50,000 maximum price. The corresponding tailpipe emissions regulations are crucial to getting the supply we need to meet that demand.

OEMs are shipping EVs where they are compelled to ship them. Here in Canada, that means B.C. and Quebec, the only two provinces with EV sales targets. Until very recently, it was impossible for an Ontario resident to buy Toyota's only EV, the bZ4X. Toyota would only ship to B.C. or Quebec. Another example is Ford. The last consumer EV that Ford introduced—a full five years ago—is now the discontinued F-150 Lightning. Ford currently has only the Mustang Mach-E on offer. How can they seriously claim that they're having difficulty meeting ambitious targets when they don't have product to meet a target?

Meanwhile, in Europe, in addition to the Mach-E, Ford has the Puma Gen-E, the Capri and the Explorer. They're able to meet European targets. Cadillac's Canadian sales in Q4 2025 were 50% electric. Yes, one in every two cars sold by Cadillac in Canada in Q4 2025 was electric. Speaking of GM, they have 10 different EV models on offer in North America. Ford has one. This supply problem is why we need a strong EV policy. We need manufacturers to bring product to Canada.

Canada has many opportunities tied to electrification. Heavy-duty vehicles are emerging and now account for over 50% of sales in China. PACCAR, the manufacturer near Montreal, already offers class 8 electric trucks in Europe. They could sell them here. I already mentioned that battery improvements for electric aircraft mean that electric short- and medium-haul flights will be feasible in the near future. Canada has an extensive aerospace sector that could seize the opportunity. The sourcing and processing of materials needed for batteries, as well as the manufacturing of batteries and battery packs, are other areas where Canada could and already does leverage strengths.

Canada should be bold and look to the future to seize the moment so that we can all benefit from electrification.

Thank you.

• (1225)

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

We will begin our first line of questioning.

Colleagues, I'll let you know right off the bat—given that we have 30 minutes tacked onto the end of this meeting for other business—that it's quite unlikely that we'll have those final two spots. We will play it by ear.

Madam Dancho, the floor is yours for six minutes.

**Raquel Dancho:** Thank you, Mr. Chair.

Thank you to the witnesses for being with us.

My questions are for Mr. Shipley.

You're the CEO and co-founder of a cybersecurity software firm out of New Brunswick. In your opening remarks, you outlined a number of national security and public safety concerns over Chinese electric vehicles entering the Canadian market. I'd like to expand on your opening remarks with my line of questioning.

On the national security side, the Liberal government is allowing Chinese EVs to gain a foothold in the Canadian market, with 49,000 under the reduced tariffs structure annually. It begins this year and will rise to 70,000 annually by 2030. You alluded to China's national security law allowing the government in Beijing to access data from Chinese-owned companies, including electric vehicle companies there, for example. In the past, you have made public comments relating this to the same rationale as Canada banning Huawei and to our 5G capabilities. I would also mention TikTok on government devices.

Can you elaborate on how that same logic would apply to Chinese electric vehicles entering the Canadian market?

**David Shipley:** It comes down to willingness and intent. If you have a country whose interests can, at times, be hostile to ours and they have the capability, it's a question of whether they want to or not.

The one thing I would say that should be more concerning is that it's not just their own manufacturers that they can compromise. The Chinese nation-state hackers have been running amok through telecommunication networks in Canada, the United States and the western hemisphere, as far as espionage goes. They can be everywhere.

The bigger point I was trying to emphasize as well is that if we don't secure other vehicle manufacturers, they're going to hack them too. It's not an issue that's just exclusive to the Chinese brands, and it's not even an issue exclusive to nation-states themselves. There are the corporate interests that may or may not align with Canada's national interests.

**Raquel Dancho:** We have issues from Iran, Russia and North Korea and other actors. It's not solely from Chinese bad actors located in China that we receive those threats, but, in particular, there are threats from their auto data, as you outlined, whether it's audio, video or precise location according to GPS. A good example you mentioned is the fact that the Chinese government itself has banned Tesla from its defence and sensitive meetings for this exact rationale.

Are you concerned, for example, that we are bringing in Chinese EVs that the defence minister may be driving, or the CSIS director or others? Would that be a concern for Canada?

**David Shipley:** I would follow Israel's example on this. They recently stopped deploying Chinese-made vehicles for senior military officers for these concerns. Poland, as I noted, is considering bans on Chinese vehicles too.

This is the great game: every country plays it. Everyone spies on everyone else. If you have the capability, why wouldn't you? We have to be concerned about it, but I think we need to be concerned about manufacturers from every jurisdiction around the world, and we lack the capacity to give Canadians the assurance that we know what's going on.

**Raquel Dancho:** Thank you, Mr. Shipley.

I think the issue, in particular, though, is that China is an adversarial nation. If we compare it with European auto markets, that is, with European cars in Canada, and also American ones, those countries are not our adversaries in the same way as China is, which is using its soft power by exporting Chinese EVs to foreign markets. With a little foothold, they blow open the door in those markets and those markets are then flooded with those EVs in a very short order.

I'm concerned that, let's say in 10 years, we'll have millions of Chinese EVs. You've outlined this, that they have the power to shut down or remotely lock these vehicles, let alone pull all of the data back to the headquarter facility—perhaps in China, for this example I'm using. You're aware, I'm sure, that in Norway, they proved that Chinese EV buses driven far underground in Norwegian mines could be remotely shut off by the Chinese company that made the buses.

Again, we're talking about worst-case scenarios, but the country has to be smart when we're talking about bringing in, basically, rolling computers that Canadians live their lives in, and which Chinese automakers will be flooding the streets with in the next number of years and decades.

Could you comment on that?

• (1230)

**David Shipley:** They're not just going to hack their own stuff. If they really want to go at it and to spy on members of this committee, the odds are that if you're driving a vehicle made in the last five years, you're connected to the Internet, so they're going to listen in to it. There are three identified companies out of Israel that are making what they're calling “car-in-tools” to spy.

Obviously, if they have direct access through influence over the manufacturers, they can build in back doors if they want. The same can happen with American-manufactured vehicles and other things. Our list of what's hostile to Canada has changed dramatically in the last couple of years, so I think it's a good idea to secure all of them, because we wouldn't then have to worry about any one manufacturer alone. We would have the assurance that we have the right standards. That's where I think the simple solution of mandating a kill switch.... Every Canadian should have the right to take these off the Internet.

**Raquel Dancho:** Thank you, Mr. Shipley.

Something that we've heard, though, in our AI study, is that a kill switch can be overridden by AI technologies today. The kill switch is perhaps a good opportunity, but it's not a fail-safe any longer. Unfortunately, just in the last couple of weeks, these AI advancements have shown that kill switches can be overridden by the very algorithm that powers the device. It is a challenge. I appreciate the idea, but I don't think that's necessarily the only solution.

I appreciate that, of course, we need to safeguard ourselves against all of the technology in our lives, from whatever country it's from, but I do believe there is a difference between our driving an American-made vehicle versus a Chinese-made electric vehicle. Would you not agree there's a greater degree of risk if the vehicle comes from China?

**The Chair:** Please answer in about 15 seconds. Thank you.

**David Shipley:** Just to be clear, the type of kill switch I'm talking about is a hardware one. You pull the fuse. You can't hack that. It's powered down. If we make them do it, we can power it down.

**Raquel Dancho:** No, that very scenario was overridden by AI algorithms, just recently, just to be clear.

**The Chair:** Unfortunately, we're going have to continue.

Mr. Shipley, you're always welcome to provide additional information to the committee, should you wish.

Mr. Bardeesy, the floor is yours for six minutes.

**Karim Bardeesy:** Mr. Thank you, Chair.

Thank you for the birthday wishes.

Thank you to Victoria Morton and Kristina Kisin on my team who fed us all.

I am turning 50. As I mentioned, I came into this world just as stronger tailpipe emissions standards came into the world. As a result of that work, for instance, we don't have leaded gasoline, which was around when I came into the world. I want to start there.

Mr. Allan, you referred to the importance of tailpipe emissions standards and greenhouse gas emissions standards. Could you explain briefly what has been happening in the United States in the last few weeks and months around this issue? What do you think Canada should be doing in relation to the Trump administration's decisions around greenhouse gas emissions standards?

**Travis Allan:** There have been comprehensive moves by the current U.S. administration to roll back effectively all policies that were promoting the reduction of greenhouse gas emissions from transportation. That includes blocking state-based ZEV mandates.

It also includes, basically, pulling back from greenhouse gas regulations of light-duty vehicles.

Canada found itself in a very challenging situation—one of many, I would say—over the last year, where it needed to decide whether it wanted to follow that particular anchor right down to the bottom of the ocean or whether it wanted to set its own course and determine to create greenhouse gas regulatory standards for Canada. That's exactly what the government did as part of the auto strategy.

**Karim Bardeesy:** That course is also one where California is attempting to pursue the same approach, having led this for most of the 20th and early 21st centuries, along with many European nations.

You referred to the charging investment programs that have been made available through our new auto strategy, which incidentally also includes those tough greenhouse gas emissions standards that, as you referred to, need to be implemented. You also said that this doesn't include private charging investment.

What proportion of private charging investment do you think could accompany public charging dollars? What kinds of ratios are we talking about?

**Travis Allan:** If you look at charging data, you'll find that most Canadians charge at home between 70% and 90% of the time. That means the bulk of charging, if you have a detached house, is home charging. That typically will be a station that can be anywhere from zero dollars to \$1,000, and then installation can be from \$1,000 to \$3,000, depending on your house. We're also talking about billions of dollars of private investment for fleets, schools and workplaces.

• (1235)

**Karim Bardeesy:** Households would offset these costs, whether they can finance them or not, just by the lower servicing costs of running the vehicle, because that electricity plus the charging infrastructure will, over time, be less expensive than gasoline, in general. Is that correct?

**Travis Allan:** That's correct.

As Ms. Doran mentioned, a recent analysis shows savings of \$2,000 or higher per year for a typical Canadian family, which pays itself off quickly.

I'd also note you don't have the same exposure to price volatility, and I think a lot of Canadians are feeling that right now.

**Karim Bardeesy:** That's an excellent point. Thank you.

There is another perhaps distinct aspect of charging infrastructure. Mr. Leury, you could jump in on this.

You alluded in your testimony to specific and very different needs in low-density and high-density areas of the country. Can you elaborate on that? What different needs are required? What different kinds of interventions are required from government and public bodies to serve both low-density and high-density?

**Raymond Leury:** It's a complicated picture. Obviously, we have the infrastructure we need, for now, for travelling distances. The problem is that we need a lot more for the future, when more cars are going to be on the roads.

From my perspective, the biggest problem we have now is charging in multi-unit residential buildings, MURBs. We at EVCO have worked with about 20 condo buildings to try to figure out a way to get charging in those buildings. It's very difficult to get the first charging stations going, because there's significant investment required in infrastructure that will eventually support every parking space in that facility.

There were some programs in the past. If the government were to have future programs to help with that, it would be extremely helpful.

**Karim Bardeesy:** Thank you.

I know it's a concern of many urban MPs of different parties that we extend this kind of infrastructure, and how it's financed is an important question. Obviously, our program is going to support a bit with that.

I want to turn now to you, Mr. Shipley. Thank you for your testimony. It's a set of considerations that hasn't yet come to this committee in our previous auto study or in this one. I want to share my appreciation for that. I would—and I think our committee might—appreciate a brief on some of the points you raised.

This government recently brought forward Bill C-8, a cybersecurity piece of legislation. I wanted to ask whether there are specific things in that bill that could assist with these issues. Or do you believe that it's more a question of consumer policy and competition policy for some of the measures that you think are required?

**David Shipley:** Bill C-8 is going to deal with federally regulated industries with respect to banking, telecommunications, energy transmission and federally regulated transportation. Typically, in that transportation context, we've been talking about railways, airports, etc.

The kinds of connected car safety regulation that we need are not addressed within that framework. It's a massive hole legislatively that we have not addressed, not just for us, but in the United States and other places. It's increasingly putting people at significant risk. We focus a lot around the spying side, which is often the occurrence—

**Karim Bardeesy:** I'm sorry, Mr. Shipley. I'm running out of time, and I want to put a point on that.

Do you believe that this is an area where the Competition Bureau, for instance, should be more engaged?

**David Shipley:** I think yes, and I think we need that in the consumer bill of rights, so that when people buy a new car, they know for how long it is going to get security updates.

[*Translation*]

**The Chair:** Thank you.

Mr. Ste-Marie, you have the floor for six minutes.

**Gabriel Ste-Marie:** Thank you, Mr. Chair.

I'd like to welcome the three witnesses, whose remarks are very informative. Once again, we have a very interesting panel of witnesses, and I want to thank them.

My questions will be for Mr. Allan, but first I want to wish a happy birthday to our dear colleague, Mr. Bardeesy. I also want to thank Mr. Shipley for the points he made about safety. That is very worrisome and I think that we as committee members are going to have to take a serious look at this to make sure that the government is doing everything in its power to protect all Canadians.

Mr. Allan, thank you for your presentation. You made two recommendations, one of which relates to predictability. I'll start with the second point, which is about the refinancing or recapitalization of the fund. We're talking about the zero emission vehicle infrastructure program, a program that worked well, to my knowledge. The funding is decreasing significantly and the program could come to an end. So you're asking for it to be replenished, recapitalized.

If I'm not mistaken, the government has just tabled its electric vehicle strategy. Did you expect the program to be recapitalized at that time? Is there still hope, in your opinion?

● (1240)

**Travis Allan:** I'm an optimist, so I'm always hopeful. I think there are certain things that the Canada Infrastructure Bank can do to really make a difference.

For example, there are charging stations in places where the private sector really wants to invest. The problem is in the underserved areas, as well as in multi-unit residential buildings. In those cases, it's better to use the program, and I hope the government will consider recapitalizing it to solve that problem.

**Gabriel Ste-Marie:** Thank you.

I think I understand. The government hasn't refinanced the infrastructure program, but it has put money into zero emission infrastructure through the Infrastructure Bank, which was announced in the strategy. These are loans, however, whereas the program you are asking to be refinanced absorbed part of the costs.

What you just said can be seen in just about every sphere of the economy, from the deployment of electricity for several decades to the cell network and the Internet.

In urban areas where there is a market today, the private sector will be there and the Canada Infrastructure Bank can play its role. In less densely populated areas though, the private sector will not turn to the bank. Those areas won't be covered and we'll have a less efficient network across the country. Is that correct?

[English]

**Travis Allan:** I think so.

Both programs actually have an element of repayability. They are very well designed to protect taxpayers. The Canada Infrastructure Bank facility is designed to catalyze private investment through loans that are historically repayable based on utilization, which really solves a problem that many investors have because they're taking what we call utilization risk.

The ZEVIP actually also has elements of recoverable financing as well, depending on the performance of the stations. However, I think you really got to the right point there, which is that in order to use the Canada Infrastructure Bank funding, most borrowers have tended to really concentrate in areas where they know they're going to have large numbers of EV drivers. We're talking suburban areas around big cities in Quebec, B.C. and, increasingly, Ontario. We need to cover the rest of Canada as well.

[Translation]

**Gabriel Ste-Marie:** Thank you. I'd like you to explain to us why it's important to cover less densely populated areas if we want to adopt electric vehicles.

[English]

**Travis Allan:** There are two reasons. The first reason is one of connectivity and networks. What we know about consumers is that they will not adopt technologies if they see massive inconvenience at scale. We want to make sure that we have a really solid network for folks who are going to recreational properties or to places of work. We want to have full connectivity.

The other reason is political acceptance. We know that we need to bring all Canadians along. We cannot have a perception where only wealthy people in suburbs around major cities get to save \$2,000 a year, and lower-income people or people in rural Canada cannot. I think it's really a twofold issue.

[Translation]

**Gabriel Ste-Marie:** Thank you very much. That's very clear.

I sincerely hope that the government hears clearly what you are explaining here and renews funding for the zero emission vehicle infrastructure program. We would have liked to see this done when the strategy was unveiled. We'll continue to call for that. We want the government to hear us clearly on this.

I have 30 seconds left. I'd like you to talk about the importance of predictability in the government's strategy and policies when it comes to zero-emission standards and electric vehicles. We can then come back to it in the second round.

[English]

**Travis Allan:** As I mentioned, the biggest challenge for public fast-charging deployments is knowing how many people will actu-

ally drive battery electric vehicles. Those are our customers, and we need to predict that over a decade.

When we are looking at Canada's new target, 75% by 2035 and 90% by 2040, the big question is whether the greenhouse gas regulations, which typically regulate grams per kilometre or grams per mile, will be enough to get fleet-wide emissions to result in zero-emissions vehicle sales that will actually give us those numbers. That is the issue that is currently being discussed. ECCC is going to be working on those regulations, and we will be here every step of the way to help ensure we get some great regs.

• (1245)

[Translation]

**The Chair:** Thank you.

[English]

Mr. Guglielmin, you have five minutes.

**Michael Guglielmin:** Thank you, Chair.

Thank you, witnesses, for appearing today.

Mr. Shipley, I understand that you are a Canadian Forces veteran, so I just want to start by thanking you for your service.

You've described Chinese EVs as potential spy vans, rolling spy vans, and your broader point is understood about connected vehicles more generally. At the same time, we see that the U.S. has moved to restrict Chinese and Russian software due to security concerns.

Given your background in cybersecurity and your service in the military, should we be thinking about EV charging infrastructure on military bases, not just as routine green infrastructure but maybe as part of a broader defence network?

**David Shipley:** In terms of the cybersecurity issues related to EV charging networks, there are regular hacking competitions that continuously demonstrate a number of vulnerabilities in these systems that require attention. These systems do require regulation to make sure they're properly secured, both as a physical safety issue as well as due to the potential for surveillance or other harm. I do believe that we need to pay attention to these issues.

**Michael Guglielmin:** On a military base, could seemingly routine data points—for instance, vehicle location, charging patterns, fleet movements and personal habits—become sensitive information if put into the wrong hands?

**David Shipley:** I would point to the fact that Israel has made moves to remove Chinese-made EVs from its military facilities. Obviously, they're one of the most advanced countries in the world when it comes to cybersecurity.

**Michael Guglielmin:** You have also spoken about the broader issue of Chinese EVs and connected EVs, and the risk that connected vehicles with cameras, microphones, telemeters and smart features are being exploited for surveillance purposes, and even for remote interference. Do you believe we'd taken the national security concerns seriously enough before we even began to approach Chinese EV market access?

**David Shipley:** We are asleep at the wheel when it comes to all of these cars. We are talking about a small number of these cars: 49,000 cars. Some 43% of cars on Canada's roads today are connected to the Internet. We can compare that to the fact that 90% of new cars sold from all manufacturers are connected to the Internet, and there's not a single regulation or standard for them. We all should not be sleeping well about all of that.

**Michael Guglielmin:** Ms. Dancho pointed out that we have multiple directors from CSIS who have called the Chinese government our largest security concern. Former director of CSIS and national security adviser, Richard Fadden, called China a "fundamental threat". Our own parliamentary committee on national security and intelligence wrote that the Chinese government remains our "largest foreign interference threat", including to our domestic institutions and processes. A Canadian Public Safety briefing note said that the CCP is pursuing "geopolitical advantage on all fronts", and "using all elements of state power" in a way that is "a direct threat to [Canadian] sovereignty and security". Given your expertise in cybersecurity, would you recommend that we put Chinese EVs or EV infrastructure on Canadian military bases?

**David Shipley:** I think that we should probably understand why allies like Poland and countries like Israel are not doing that. We should probably have a fulsome investigation and a thorough risk analysis done by our military to understand the benefits and the risks they're taking on. I think that's an important part of it.

The thing that keeps me awake at night right now is that we have a rising group of 20- to 29-year-olds who just want to burn the world down, who are now being equipped daily with AI tools and are learning how to hack things, just to hurt people. They're a threat, just like the CCP.

**Michael Guglielmin:** I'm sorry to cut you off, but time is limited.

You wouldn't recommend this. You think there would be a big risk there.

I have a similar question. Would you recommend that ministers of the Crown or the Prime Minister operate one of these vehicles?

• (1250)

**David Shipley:** I would leave that to our security agencies to determine. However, if I were in their shoes, I wouldn't be driving one.

**Michael Guglielmin:** If there's a great risk to military and government officials, it obviously, then, stands to reason that having

them in the public sphere would also pose a security and national security risk.

Chair, if you'll indulge me, I would like to move the following motion:

That the committee undertake a consideration of the supplementary estimates (C), 2025-26, referred to the committee; that the Minister of Industry and departmental officials be invited to testify; and that the committee report the votes back to the House no later than March 26, 2026.

**Michael Ma:** I have a point of order.

**The Chair:** Hold on for just one second, Mr. Ma, please.

The trouble here, Mr. Guglielmin, is that this motion, to my knowledge, was not put on notice previously. We are not in committee business, therefore, it's not related.

Was the motion you're reading put on notice previously, the exact same one? I'm just going to double-check that.

Colleagues, I'm going to do a couple of things here. We are going to run out of time, so I'm going to let our witnesses go.

Witnesses, thank you very much for your testimony here today. We appreciate your contributions and wish you a good rest of your day.

Mr. Ma, go ahead on a point of order.

**Michael Ma:** Yes, it's on the relevance of this motion to this meeting, especially with the witnesses and so forth.

**The Chair:** There's a bit of confusion. I'll just clarify here for us.

Mr. Guglielmin, you can't move that motion. It's not because of a relevance issue per se, but because you did not put the motion on notice. That motion has to be moved by the original member who put it on notice.

Madam Dancho, of course, is welcome to do that should she wish to, but I can't accept it from you because it was not originally put on notice by you.

**Michael Guglielmin:** Can I cede my time to Ms. Dancho?

**The Chair:** There's no time issue here.

I see that Madam Dancho has her hand up. I have a good guess as to what this might be about.

**Raquel Dancho:** Thanks, Mr. Chair.

I move:

That the committee undertake a consideration of the supplementary estimates, 2025-26, referred to the committee; that the Minister of Industry and departmental officials be invited to testify; and that the committee report the votes back to the House no later than March 26, 2026.

**The Chair:** Colleagues that motion is before us. That motion had been put on notice.

Prior to engaging in a discussion on this, I will just note that the challenge is the timeline. We're just waiting to get an answer on the deadline for the supps, but it is very soon. This would require, of course, some changes to the current schedule before us and obviously the availability of the minister within that tight time frame.

As with all motions, the floor is open for debate.

Mr. Bardeesy.

**Karim Bardeesy:** I want to register that I want to hear my colleague Mr. Ma's engagement with those witnesses. I hope that in the rest of the auto study we can have an opportunity to hear questions and remarks related to the cybersecurity concerns that were raised and have some of Mr. Ma's experts' responses back.

We have a motion related to the supplementary estimates. We also know there's interest in hearing from the minister on the main estimates. Because these are closely related and because there are often requests to have the minister, I do have a motion that could be an amendment to the current motion.

I would like the committee to consider inviting the minister to participate in one discussion that features both the supplementary estimates and the main estimates, because of the timelines you identified and because it's fundamentally covering the same issues.

• (1255)

**The Chair:** Are you proposing putting forward an amendment to Madam Dancho's motion?

**Karim Bardeesy:** I am. I just need to have Madam Dancho's language in front of me, which I do not have yet.

Madam Clerk, is the paper copy of this motion being distributed?

**The Clerk of the Committee (Miriam Burke):** I can redistribute the electronic copy.

**Karim Bardeesy:** I just need to bring up the language here. I know we had a motion in relation to the main estimates, which has not been moved.

Was the motion that's being presented here originally sent to us on February 19? Am I understanding that correctly?

**The Chair:** Here's what I'm going to do, because we have a couple of back-and-forths going. I'm going to suspend. It's going to give Mr. Bardeesy an opportunity to pull up the language that he needs to draft the amendment that he would like to put forward. That will give the parties an opportunity to have a discussion while we're off-line. Hopefully, by the time we come back we will have a resolution.

I will note that we do still have to approve the defence industrial strategy final version, which we are going to do today, one way or another.

I'm going to suspend and we'll come back in a few moments.

• (1255)

(Pause)

• (1310)

**The Chair:** Mr. Bardeesy, the floor is yours.

[*Translation*]

**Karim Bardeesy:** Thank you.

We've had some discussions, and I would like to propose a friendly amendment.

[*English*]

In English, it's a friendly amendment, I believe. We've had discussions with the parties. I move that the motion be amended by adding before the words "supplementary estimates (C), 2025-26" the following: "main estimates 2026-27 and".

**The Chair:** Effectively, the change being made here is that we are adding to the motion that is inviting the minister to appear on the supplementary estimates. We are inviting her, in that same appearance, to appear on the main estimates.

Madam Dancho.

**Raquel Dancho:** Yes, we support that, certainly.

I would like to move a subamendment or, if we want to agree to adopt this, we can and then I'll move my own amendment. It's whichever you're procedurally fine with, but I can do either.

**The Chair:** My recommendation, which I think is the cleanest way to do this, is that if there's agreement to adopt it and then somebody wants to put forward an amendment to the newly amended motion, we do it that way.

Before we do that, we'll go to Madam O'Rourke.

**Dominique O'Rourke:** Thank you, Mr. Chair.

I have a quick question. The current motion that's before us is March 26, 2026, which is in two weeks, but we are in our ridings next week, so I have a concern about the time frame. One motion that was shared says March 26, but the notice of motion that was circulated previously on the main estimates says May 31, 2026. Can we get some clarity around the date?

Also, I want to express a concern that this was dropped in our laps in the middle of a study the Conservatives asked for, which interrupted our witnesses, so now we're dealing with this. I want to know why there's a rush for March 26 when the original proposed date was May 31.

**The Chair:** There are a couple of things. We're dealing with two separate motions here. We could certainly talk about the reasonability of the minister's being able to accommodate that March 26 date. Should she not be able to accommodate it, it doesn't negate the desire to have her appear. If she were to appear following that date of March 26, the deadline of which is embedded in the motion—and this is assuming we adopt it—then she would appear on the supplementary estimates and the main estimates.

Now, because the supplementary estimates, by that point, will have already been dealt with in the House, she could appear on the subject matter of the supplementary estimates, but what we would not be able to do, which we could still do with the mains, is actually vote—if we chose to—on changes to line items in the supplementary estimates. However, we would still be able to deal with the mains from the perspective of voting and from the perspective of reporting back.

From my point of view, if we are to pass the amendment put forward by Mr. Bardeesy, it really renders Madam Dancho's motion on the mains alone moot. We will have dealt with it in the motion dealing with the supplementary estimates.

I hope that made sense.

**Dominique O'Rourke:** I appreciate the clarification.

**The Chair:** Go ahead, Monsieur Ste-Marie.

[*Translation*]

**Gabriel Ste-Marie:** On that point, unless I'm mistaken, the main estimates must also be voted on before March 26, as that's what authorizes the government to make payments starting on April 1. Regardless of what the other motion says, both must be voted on before March 26. I would leave the date as it is. Then we'll see what the minister does.

When the motion on supplementary estimates was moved on February 19, the estimates weren't available yet. The deadline is indeed tight, but the government could have presented them earlier to give us more time. Let's just say that we're pressed for time.

• (1315)

**The Chair:** Mr. Ste-Marie, I'm not sure that's correct.

May 31 is the deadline for reviewing the main estimates. So I'm not sure if both can be done on March 26. In any case, this changes absolutely nothing. The dates are not the issue here. It's really a matter of whether we want to combine the two.

[*English*]

Colleagues, we should worry a little less about the dates. I was just saying, for those who might not have had their translation on, that I'm not sure that Monsieur Ste-Marie is correct in saying the May 31 mains could not be voted on and reported back on if we have a meeting after March 26. I'm getting the clerk to correct that. That would be true of the supplementaries, but not of the mains, from what I understand. Having said all of this, that doesn't seem to be the primary point of contention.

The first thing I'd like to do, if there's no further commentary, is look for consensus around the table to adopt the addition that Mr. Bardeesy has recommended insofar as including the main estimates with the supplementary estimates appearance from the minister is concerned. The exact language could be fixed if necessary, but I think everyone is in agreement with the principle.

Madam Clerk or the analysts, you have the language on the amendment that was put forward.

**Raquel Dancho:** We've seen it. Yes, that's fine, but I have an amendment.

**The Chair:** We're good with that.

Mr. Bardeesy, go ahead and read the amended version that you put forward, please.

**Karim Bardeesy:** The amended version of the motion would be, in English:

That the committee undertake a consideration of the main estimates, 2026-27, and the supplementary estimates (C) 2025-26, referred to the committee; that the Minister of Industry and departmental officials be invited to testify; and that the committee report the votes back to the House no later than March 26, 2026.

[*Translation*]

Do I have to read the French version, too?

[*English*]

**The Chair:** No, I think we're good.

Madame Dancho, you had your hand up. Was it to speak to this, or can we vote on this first?

**Raquel Dancho:** We can vote on it.

**The Chair:** I saw unanimous consent to adopt the amendment put forward by Mr. Bardeesy.

(Amendment agreed to)

**The Chair:** We are now back to the main motion as amended.

Madam Dancho, the floor is yours.

**Raquel Dancho:** Thanks.

I'd like to move an amendment to the amended motion. It's a very brief one. On the second line, it would read, "the Minister of Industry and department officials be invited to testify for at least two hours". The rest remains the same in the amended motion.

**The Chair:** Colleagues, the effective change up for discussion is taking the motion we just agreed to amend, which is a ministerial appearance on both the supplementaries and the mains, and ensuring that it includes, as per Madam Dancho's amendment, a two-hour appearance as opposed to a one-hour appearance.

Mr. Bardeesy, the floor is yours.

**Karim Bardeesy:** I'll be voting against this amendment for the simple reason that I understand that things have been crunched a bit.

• (1320)

[*Translation*]

This motion, as amended by Ms. Dancho, calling for us to meet for two hours on Monday, March 23, and only at that time, has implications for the parliamentary calendar. I think that's pretty tight, and I'll be voting against it.

However, I understand that we will make every effort and that the minister will also make every effort, taking into account not only her schedule, but also the government's fiscal calendar, to ensure that we meet fairly soon.

**The Chair:** Okay, your message is received.

Mr. Ste-Marie, you have the floor.

**Gabriel Ste-Marie:** I am announcing that I will vote in favour of this amendment.

It is customary for the minister to come to discuss the supplementary estimates and to return for the main estimates. Having her come only once for two hours strikes me as a good compromise.

I remind my colleagues and friends that Canadians chose to elect a minority government. So I think we can act accordingly, at least for now.

**The Chair:** As everyone knows, Mr. Ste-Marie has a vote with some influence in cases like this.

We can vote if you want, but we can also simply agree.

[*English*]

(Amendment agreed to)

(Motion as amended agreed to [*See Minutes of Proceedings*])

**The Chair:** We're now going to move on with the final task before us today, which is the adoption of the defence industrial strategy report. The challenge we have—and Mr. Small, this will involve you—is that we have to go in camera.

We're briefly suspended.

[*Proceedings continue in camera*]

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