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Chair: The Honourable Judy A. Sgro



Standing Committee on International Trade

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• (1545)

[English]

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

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

Today's meeting is taking place in a hybrid format, pursuant to the House order of November 25, 2021.

The Board of Internal Economy requires that committees adhere to the following health protocols, which are in effect until February 28, 2022.

Anyone with symptoms should participate by Zoom and not attend the meeting in person. Masks must be worn in committee rooms except when members are at their place during parliamentary proceedings; however, it is strongly recommended that members wear a mask even when they are at their place during parliamentary proceedings.

All those inside the committee room should follow best practices of maintaining a physical distance of at least two metres from others, and maintain proper hand hygiene by using the hand sanitizer provided in the committee room and regularly washing their hands well with soap.

As the chair, I will be enforcing these measures.

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

Interpretation services are available. You may speak in the official language of your choice. At the bottom of your screen, you have the choice of floor, English or French. If interpretation is lost, please inform me immediately, and we will have that corrected.

The “raise hand” feature is on the main toolbar, should you wish to speak. When speaking, please speak slowly and clearly, and when you are not speaking, your microphone should be on mute. I remind you that all comments will be addressed to me, as the chair.

The committee clerk and I will maintain a speaking list for all members.

We are continuing a study of the Canada-United States relationship and its impacts on electric vehicles, softwood lumber and other sectors. Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, the committee is resuming its study on the Canada-United States relationship and its impact.

With us today by video conference are Karim Zaghbi, professor at Concordia University and professor of practice at McGill University; from the Aluminium Association of Canada, Jean Simard, president and chief executive officer; from the Business Council of Canada, Trevor Kennedy, vice-president of trade and international policy; from the Canadian Chamber of Commerce, Mark Agnew, senior vice-president of policy and government relations; from the Canadian Steel Producers Association, Catherine Cobden, president and chief executive officer; and from Global Automakers of Canada, David Adams, president and chief executive officer.

Welcome to all of you, and thank you for taking the time to join us today.

Up to five minutes will be given for opening remarks from each of our witnesses, followed by rounds of questions.

Mr. Zaghbi, I now invite you to make an opening statement of up to five minutes.

[Translation]

Dr. Karim Zaghbi (Professor, Concordia University, Professor of Practice, McGill University, As an Individual): Mr. Chair, members of Parliament, good afternoon.

My career in the field of electric vehicles and my connection with the United States date back 27 years to my time as senior battery researcher at Hydro-Québec's research institute.

The U.S. Department of Energy, or DOE, awarded me a number of research contracts to investigate battery materials. I worked with most of the DOE's national laboratories, including the Lawrence Berkeley National Laboratory, Sandia National Laboratories, Brookhaven National Laboratory and Pacific Northwest National Laboratory.

I also conducted research for the United States Advanced Battery Consortium, or USABC, created by Ford, General Motors and Chrysler.

From June 2020 to December 2021, I served as strategic advisor to Investissement Québec. Thanks to my international contacts and 36 years of experience with lithium-ion batteries, I was able to open doors, especially in the U.S., for Investissement Québec. I did the prospecting and accelerated recognition of Quebec's ecosystem from the mine to recycling to attract international players in the field of precursors, cathodes, anodes and cells.

[English]

It is essential that Canada and the United States collaborate extensively on a secure and stable supply chain, from mines to electric vehicles to recycling, in order to become independent from Asian suppliers and to support our local industries.

Canada has the potential to transform our critical minerals locally into active materials for cells, vehicle bodies and electric motors at low costs with zero CO2 emissions, thanks to renewable energy and hydroelectricity.

For the next 20 years, lithium-ion batteries will dominate the market for electric vehicles. Lithium-ion batteries are constituted of copper, graphite, silicon, lithium, cobalt, nickel, manganese, iron and phosphate. All these elements are found, for example, in Ontario, Quebec, New Brunswick, Labrador, British Columbia and Manitoba.

Canada is an attractive supplier of critical minerals for electric vehicle manufacturers in the United States and, most importantly, in Canada. The shift to electric vehicles is a great opportunity to create jobs and to revive the vehicle manufacturing industry in Canada, in particular in Ontario and Quebec.

[Translation]

Canada and the U.S. would benefit from launching a joint electric vehicle initiative that involves and trains human capital to address the labour shortage problem and brings together research institutes, colleges and universities, manufacturers and technologies developed in both countries through mutual licence agreements and technology transfers for the manufacturing sector.

[English]

One of the scientific and commercial success stories of the fruitful Canada-United States partnership, concerning electric vehicles and batteries, is lithium iron phosphate batteries, for which Professor John Goodenough was awarded the Nobel Prize in 2019, and which originated from a collaboration between the University of Texas and Hydro-Québec.

Today, LFP is recognized as the safest battery technology, and is notably used by Tesla. China was an early adopter of this technology for electric vehicles and busses, for which CATL and BYD are the largest producers of the cells.

• (1550)

[Translation]

Canada and the U.S. should create a scientific committee on innovation, intellectual property and industrialization to encourage the market penetration of common technologies in electric vehicle and energy storage applications. That way, the two countries could be pioneers in lithium-ion batteries and beyond to reduce the time and cost needed to develop materials for batteries, vehicle bodies and electric motors.

It is vital that the federal government and the provinces provide funding for up to 50% of battery and electric vehicle manufacturing plant proposals by making available turnkey sites, including access to water, electricity and natural gas, in strategic locations that simplify transportation logistics.

[English]

Canada must also invest to bring back a national industry of microelectronics. Chip manufacturing is essential for several electronics components in electric vehicles and batteries, such as the battery management system and the battery management unit.

[Translation]

Another aspect of the Canada-U.S. partnership that should be improved is harmonization and standardization of the fast and ultra-fast charging network. One key goal should be developing universal payment systems that require only a credit or debit card, as is the case with gas stations.

I would also suggest that Canada establish a strategic committee on critical minerals for battery and electric vehicle manufacturing, with an emphasis on mineral traceability, greenhouse gas emissions and respect for human rights. With minerals sourced from Canada, this committee could also develop protocols and contribute to cell and battery production technologies with the goal of producing process control machines locally in Canada and the U.S.

The two countries' incentives for purchasing electric vehicles should be harmonized until the cost of lithium-ion battery packs drops below \$100 per kilowatt hour, which is parity with the cost of a gas vehicle.

[English]

The Chair: Thank you very much, Mr. Zaghib.

[Translation]

Dr. Karim Zaghib: Thank you.

[English]

The Chair: I'm sorry to interrupt.

[Translation]

Dr. Karim Zaghib: I've finished.

[English]

The Chair: Mr. Simard, you have the floor for five minutes, please.

Mr. Jean Simard (President and Chief Executive Officer, Aluminium Association of Canada): Thanks to the committee members for inviting the [Technical difficulty—Editor].

As members of the committee well know by now, aluminum is part of the new narrative in world geopolitics. A critical material as listed in Canada, Europe and the U.S., it has been the object of a series of trade confrontations over the last five years, with resulting anti-dumping and countervailing duties, tariffs and TRQs.

While Europe and the U.S. have been at the forefront of these measures, China's state-subsidized growth and dominance of world markets are mostly to blame for this situation, as documented by the OECD. This just shows how our metal is strategic now and for the future.

As the world is moving out of the pandemic and supply chains' resilience and decarbonization are on the agenda, the U.S., like other world powers, is attempting to seize the momentum and redraw its industrial web to the benefit of its workers, communities and markets. As we enter the carbon trade era where CO₂ is on everyone's balance sheet reaching for the bottom line, responsibly produced low-CO₂ minerals and metals stand to create value for Canada while answering the world's growing demand for responsible sustainability.

With its resource-based economy, Canada stands to gain through trade more than ever. Our industry ships most of its responsibly produced low-CO₂ metal to the U.S., representing 70% of their imports in recent years, with multi-billion dollars in yearly exports for Canada, a significant contributor to our trade balance.

The U.S. market is our market, and by far. Canada is their key supplier, and by far. Maintaining the global competitiveness of our industry and its free access to market, especially in the U.S., is therefore fundamental. Our 8,800 workers and nine plants smelt and ship the most responsibly produced low-CO₂ metal going into the U.S.

The U.S. is now pivoting toward bilateral managed trade agreements, replacing the past administration's tariff-based approach, as witnessed with the EU and Japan and forthcoming with Great Britain. While dealing with non-market economies and carbon are part of this new narrative, they are still establishing their bearings on the use of climate-based trade instruments. National security, protectionism and managed trade are all reactions to a perceived threat. Canada has never been, is not and never will be such a threat to the U.S.

As mentioned at the beginning, the economic world order has been gradually disrupted by China's dominance in key base industrial sectors. Be it steel, magnesium or aluminum, as well as rare earths, China dominates markets. We are, as an industry, as an economy and as a country, impacted by China's subsidies and non-market behaviour, and the carbon leakage associated with it.

Considering these two priorities for the new administration, we think that Canada must find alignment with the U.S. on dealing with non-market economies and carbon transfer. The global arrangement on sustainable steel and aluminum with Europe is a case in point. It clearly states, "The global arrangement will be open to any interested country that shares our commitment to achieving the goals of restoring market-orientation and reducing trade in carbon intensive steel and aluminium products."

While Canada has its own trade agreement with the U.S. and the EU, restoring rules-based markets and carbon trade reduction should be on our priorities list, and we should make it clear to all interested parties. Canada must not only act on these issues, but it must also be clearly seen to be doing so. Working with the U.S. and our allies would contribute to more multilateralism, to the benefit

of all parties. Canada should also push for a "buy clean" approach in government procurement with the U.S., calling for responsibly produced low-CO₂ solutions.

● (1555)

In closing, while we were invited to comment on specific files such as EV and others, we firmly believe that our relationship with our most important trading partner deserves a broader approach at the crossroads of climate change and competitiveness. We need to re-engage on common grounds, aligning on shared values. We must also nurture this relationship at all levels all year round. We saw through the last round of CUSMA negotiations how much we had taken each other for granted during all those years. We saw it—

The Chair: Thank you very much, Mr. Simard.

I'm sorry, but I have to cut you off in order to make sure we are accommodating everyone.

Thank you.

Mr. Jean Simard: Thank you.

The Chair: Mr. Kennedy, go ahead, please.

Mr. Trevor Kennedy (Vice-President, Trade and International Policy, Business Council of Canada): Madam Chair and committee members, thank you for the invitation to participate today in your meeting on the Canada-U.S. relationship.

The Business Council of Canada is composed of 170 chief executives and entrepreneurs of Canada's leading enterprises. Our members directly or indirectly support more than six million jobs across the country and hundreds of thousands of small businesses.

Since our establishment more than four decades ago, the Canada-U.S. partnership has always been a top priority for our members. We played a critical role in supporting the development of the first trade agreement in 1987 and its expansion to include Mexico in NAFTA, as well as in our new framework, CUSMA.

Canada is a trading nation. Our prosperity and living standards depend on it. Sixty per cent of our GDP is tied directly to trade. The bulk of this trade is with the United States. As of 2020, it accounted for 73% of Canada's merchandise exports and 53% of our services exports. Two million Canadian jobs are related to exports to the United States.

This relationship is mutually beneficial. Nearly nine million jobs in the United States depend on cross-border trade and investment with Canada, and we are the largest or among the largest export customers for most states. From financial institutions and auto parts manufacturers to energy, aerospace and high-tech industries, our members have deep connections to the U.S., creating jobs and benefiting communities on both sides of the border.

The long-standing Canada-U.S. economic partnership has been tested in recent years and is in jeopardy of further deterioration if we do not take steps to strengthen it. We believe Canada needs a new strategy to do that.

Today I'm going to speak about three ideas that we believe can advance our relationship with the United States.

First, with respect to our relationship with the Biden administration, and as we have heard from Ambassador Cohen, we have a useful tool to enhance bilateral ties with the road map for a renewed U.S.-Canada partnership. This document has considerable breadth, and we have already made progress in certain areas. However, as the federal government thinks about its international and domestic policies going forward, including in the upcoming budget, it should consider what actions we can take to make progress on this road map and to accomplish the objectives our countries share. These include efforts to enhance supply chain resiliency and improve North American competitiveness. There is also considerable scope for collaboration to combat climate change and facilitate energy transition, including by enhancing the cross-border clean electricity grid, expanding production of battery electric vehicles, and stimulating the development of low-carbon opportunities such as critical minerals, carbon capture, hydrogen, and small modular reactors.

Second, Canada is fortunate to have CUSMA—a modern, progressive, and enforceable framework for trade. We cannot take this agreement for granted. We need to ensure that there's continued support for the agreement through implementation and by proactively communicating its benefits and presenting it as a foundation for regional competitiveness. Canada must work closely with our American and Mexican allies to promote this shared priority.

Third, we need a new, permanent team Canada to address the challenges of today and in the future. This team should leverage people-to-people ties, both in Washington and at the state level, to constantly communicate the shared benefits of Canada-U.S. trade and investment, as well as to ensure that government, business, labour, and other stakeholders are working toward shared objectives. This requires being proactive rather than waiting for the next trade irritant to arise. The team must develop a plan to advance Canada's interests and be ready to act quickly in a coordinated fashion.

Canada faces various challenges—some new and some old. While not everything is linked to a shift in trade policy, we should all focus on what we as a country can do to change the direction and prospects of this critical relationship. The Business Council of Canada and its members stand ready to support efforts to build a more stable and prosperous Canada-U.S. relationship and a competitive North America.

Thank you for this opportunity. I look forward to answering questions.

• (1600)

The Vice-Chair (Mr. Randy Hoback (Prince Albert, CPC)): Thank you, Mr. Kennedy.

I think the chair is having some communication problems, so why don't we go on to our next witness?

I think our next witness is Mr. Agnew, senior vice-president of policy and government relations at the Canadian Chamber of Commerce.

Mr. Mark Agnew (Senior Vice-President, Policy and Government Relations, Canadian Chamber of Commerce): Thank you, Chair, for the introduction.

Honourable members, it's a pleasure to be back at the committee for my first appearance of the 44th Parliament. It's good to see both new and familiar faces.

The Canadian Chamber of Commerce is glad to see that the House of Commons Standing Committee on International Trade has decided to prioritize a Canada-U.S. study. Certainly in any relationship that's this vast, there are going to be complexities and frictions that emerge.

Perhaps I will start off by saying a brief word about three of those challenges.

The first is a concern that we have heard from some members about the implications of the U.S. EV tax credit proposal in the Build Back Better Act. Although as of today the Build Back Better legislation looks comatose, the Canadian Chamber, as a matter of general principle, certainly remains concerned with measures that would reinforce buy American principles and that would disrupt cross-border supply chains and put Canadian-based operations at a potential competitive disadvantage.

I should just note and parenthetically thank the honourable members on this committee who have been active in taking a stand against various buy American measures that have come from Washington, D.C.

The second I'd like to note is, of course, the committee's interest in the softwood lumber issue. For longer than I've been wearing a suit jacket and a tie, this has been a significant trade irritant. Certainly we are disappointed to see the continued application of tariffs on Canadian softwood lumber exports to the United States, and we're hoping to see negotiations start toward a renewed softwood lumber agreement. The imperative from the Canadian Chamber membership was underscored at our last in-person AGM in 2019, where delegates overwhelmingly passed a resolution calling on the government to initiate negotiations toward a new softwood lumber deal.

The third irritant that's worth highlighting is the ongoing discussions around Line 5. Proposals like the one to shut down Line 5, I think, are a perfect illustration of what happens when evidenced-based policy-making goes out the window. Certainly businesses on both sides of the border want to see a greener economy, but energy security does play a crucial role in the decarbonization process, because if we can't have certainty on where our energy and fuel supplies are coming from, it becomes much harder to advance a conversation about decarbonization and the economy, and certainly having more oil moved by trucks and trains is a much less safe mode of transportation.

However, as those who have the vantage point of being able to look at the breadth of the relationship from many sectors, we often find ourselves in the supplicant position, if I can put it that way. As I've said at this committee and in other forums, there is no one in Washington, D.C. who is waking up in the morning looking to do us a favour. It therefore remains critical not to make unforced moves like, for example, the retroactive application of a digital services tax that risks retaliation. Instead, what we need to do is proactively work with the United States on shared challenges and not let initiatives like the road map partnership wither on the vine.

Perhaps I can just say a brief word on three items that I would put forward for the committee's consideration. The first is collaboration on critical minerals and being able to leverage the joint action plan that was launched several years ago, ensuring that we are actually able to have a North American supply chain to support defence, consumer and industrial applications.

The second is strengthening the continental defence industrial base. Economic and national security are inherently linked together and can't be separated. Certainly we need to renew the strategic framework for defence industrial co-operation and also leverage opportunities like NORAD modernization to be able to have a strong industrial development component to help Canadian companies.

The third, of course, is supply chain resiliency, a major topic of discussion in Ottawa, Washington and capitals around the world. The Prime Minister and the President created a supply chain working group on the margins of the North American Leaders' Summit last autumn. Certainly we urge the government to engage industry in those efforts to ensure that real-world progress is being made, and also to renew initiatives like the regulatory co-operation council and have refreshed work plans that reflect our challenges.

Thank you for the invitation. I look forward to the conversation.

● (1605)

The Chair: Thank you very much, Mr. Agnew.

We move on to Ms. Cobden for five minutes, please.

Ms. Catherine Cobden (President and Chief Executive Officer, Canadian Steel Producers Association): Madam Chair and members of the committee, thank you very much for the chance to appear before you again as you undertake this very important study on Canada-U.S. relations.

I'm here today representing Canada's steel industry. My members produce 13 million tonnes of steel, pipe and tube products annually

and support 123,000 jobs directly and indirectly across five Canadian provinces from Alberta to Quebec.

Canada's steel sector plays a strategically vital role in the North American economy. We are advanced manufacturers of a 100% recyclable and low-carbon product. We are a critical supplier to many key North American sectors, including the automotive, energy and construction sectors, and various general manufacturing applications. As you well know, we operate in a highly integrated marketplace with the United States.

We are a sector that knows first-hand how critical it is to maintain open access in the trading relationship between Canada and the United States. Access to that market is paramount for our industry; about half of what we produce in a year heads to the United States.

As context for my remarks, let me say that while the last year has been unprecedented in terms of market conditions, it's very [*Technical difficulty—Editor*]. Currently, as you well know, we are facing simultaneously the impact of supply chain disruption, omicron absenteeism, ongoing global overcapacity challenges and, last but not least, protectionism moves by the United States.

We're committed to working with the United States to expand trade and to strengthen the resiliency of our supply chains with our largest trading partner, but we cannot support measures that jeopardize the long-term global competitiveness of our industry and our industry's customers. Unfortunately, we are seeing a shift away from the spirit of the USMCA via buy America policies and softwood lumber. We have talked about a number of them here already. This trend is highly alarming and we need to take it seriously.

The CSPA in that vein encourages all levels of government to ensure that they are taking a comprehensive and coordinated approach in their dealings with the United States as we move forward. This is an approach where we both stand up for our interests, of course, but also seek to work together to address issues of common concern and mutual opportunity. For example, on the steel side, we share a deep concern for the growing and significant global overcapacity that we are seeing from a range of nations, particularly China, but also ASEAN, Iran, Turkey, etc. Global overcapacity translates to unfairly traded imports in the North American economy.

In this vein, there remains significant opportunity to demonstrate to our largest trading partner that our trade tools are keeping pace with the ever-evolving practices of unfair traders. [*Technical difficulty—Editor*] there is a widespread and growing problem with the circumvention of trade remedies. As a result, it is critical that we update our trade laws to ensure adequate enforcement. Tools such as anti-circumvention legislation and enhanced import monitoring are required to both protect our domestic market and show the U.S. that we're keeping pace.

Tangible steps can be taken in this regard. We must urgently implement the trade remedy modernization recommendations that were consulted on in the last budget. We hope that the detailed recommendations that we submitted this fall to the government are incorporated in budget 2022. They provide tangible and real-life examples of how we can seek stronger alignment between Canada and the United States and address key gaps in our trade measures that exist today.

Finally, the United States is introducing climate measures in all areas of its trade policy. Canada would do very well to note and engage early on this, as the outcomes could be very significant to the Canadian industry. Of particular note is the recent deal struck on climate between the U.S. and the EU on steel and aluminum. While many of the details of this agreement are yet to be worked out, it is a clear shift by the U.S. to deter trade with higher-carbon-emitting jurisdictions such as China.

• (1610)

Here, we see a potential opportunity for Canada. Given the successful environmental track record of Canadian steel producers and many other production capabilities in Canada, as well as some of the specific examples of our green track record, our goal to be net zero, etc., we believe we should not shy away from engaging with the U.S. and seeking alignment with them on climate trade matters. This may indeed become an imperative in the months and years ahead. I thank—

The Chair: Thank you very much, Ms. Cobden. I'm sorry to interrupt.

Ms. Catherine Cobden: I was just going to thank you.

The Chair: We'll go on to Mr. Adams, please, for five minutes.

Mr. David Adams (President and Chief Executive Officer, Global Automakers of Canada): Thank you very much, Madam Chair.

On behalf of the 15 members of the Global Automakers of Canada, I appreciate the opportunity to appear before you today.

Our members include Canada's largest automaker, Toyota, which last year produced more vehicles than Ford, GM and Stellantis combined, and Honda, Canada's second-largest automaker last year, in addition to 13 exclusive Canadian distributors of their brand in our country. Last year, our members represented 62% of all vehicle sales in Canada and 65% of all light-duty vehicle production. Further, our members were responsible for providing 56% of the EVs to consumers who purchased them under the Canadian government's iZEV program.

As other witnesses have already alluded to in their representations before the committee, the protectionist actions currently being pursued on a variety of fronts by the American administration represent an existential threat not only to the softwood lumber and automotive industries, but to the broader Canadian economy.

With respect to our industry, the proposed EV tax credit included under the build back better bill, which is the subject of this committee's investigation, is very problematic. However, I would suggest that the mere threat of this EV tax credit has already had the desired effect from a U.S. public policy perspective by creating an uncertain economic climate that has encouraged more foreign direct investment in the United States, while largely freezing out the consideration of Canada as an investment jurisdiction.

Having been around this industry through the negotiation of the Canada-U.S. FTA, NAFTA and the recent CUSMA, what is clear is that trade agreements only work if the signatory parties support a rules-based international order by upholding the precepts of free and fair trade agreements to which their leaders have attached their signatures. The CUSMA/USMCA trade deal is less than two years old and already in the automotive industry we have two flagrant violations of the provisions of that agreement, which have strained our historically beneficial trading relationship with the U.S.

Where does that leave Canada? The reality is that policy-makers in the United States do not consider Canada and the effect of their decisions on our trading relationship. We are not on their radar screen, and Canada is caught right now in the geopolitical crossfire between the United States and China—and, to a lesser degree, Europe—when it comes to the issue of the new decarbonized automotive industry. The United States has fallen significantly behind those leading jurisdictions when it comes to both electric vehicle production and battery production, and is now in the fight of its life to ensure the key components of EVs and the vehicles themselves are built in America and sold to Americans. In this regard, Canada is collateral damage.

Looking more closely at the EV tax credit, one can observe that one component, the extra \$4,500 credit if the vehicle is built in a union plant, is derivative of President Biden's strong union support from the UAW, which he will need to continue to curry favour with through this year's mid-term elections. On this issue, I will say only that many of my members' parent and sister companies produce EVs in non-union facilities in the United States. Not only does this provision discriminate against these companies on the basis of union representation, or the lack thereof, but it will create a significant hurdle for the President to overcome in reaching his own targets of 50% zero-emission vehicle sales by 2030 when only a small subset of the vehicles are eligible for the more robust credit.

On this issue, American legislators frankly see the inequity of the discrimination based on whether or not workers in America are represented by a union; it is far more difficult to get any American legislators to take up the mantle and argue against American taxpayers' money going to incentivize only vehicles built in the United States, aside from the fact that such a stance is offside American international trade obligations.

What should Canada do? Canada should act forcefully to ensure that the negotiated provisions of CUSMA are enforced, and explore all measures to defend itself against this flagrant violation. Canada, in consultation with the automotive industry, should consider all appropriate retaliatory mechanisms should the provisions of the EV tax credit reappear in a new build back better bill.

Canada should not seek a so-called carve-in for Canadian-built EVs, meaning that we should not accord EVs built in the U.S. with the same basic \$7,500 incentive, an additional \$4,500 if built in a union plant and an additional \$500 if the battery is built in Canada. This is poor public policy. Two wrongs do not make a right, and Canada could expect to be challenged at the WTO for taking such a stance. Such an incentive would severely hinder Canada's objective of achieving 50% zero-emission vehicle sales by 2030 and 100% by 2035. It would also set up a significant competitive disadvantage for those not building zero-emission vehicles in North America to meet what we understand will be a mandated emissions target.

• (1615)

Also—

The Chair: Mr. Adams, I'm sorry, but I have to interrupt you.

Mr. David Adams: I have one more point, if I could make it, Madam Chair.

It's just to reiterate what others have said, that Canada should prioritize the development and continuation of sustained relationships with all levels of the U.S. government, not just in crisis moments.

Thank you, Madam Chair.

The Chair: Thank you, Mr. Adams. I know how important all these issues are for everyone.

We'll go on to our members. We have Mr. Lewis, please, for six minutes.

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

Thank you to all the witnesses here this afternoon. Once again, this is fantastic testimony, and I appreciate it.

I have a lot of questions, and I'll probably only get through a few of them, but it's a great start.

My first question, Madam Chair, is through you to Mr. Adams.

Mr. Adams, I don't expect you to speak on behalf of Jennifer Safavian. I met with her a couple of months ago. She's with Autos Drive America. She said that a rebate incentive would only limit consumer choice. What are your thoughts on a U.S. rebate on U.S. EVs? What effect would that have on our auto trades and sales in limiting consumer choice?

Mr. David Adams: I think what you're asking, honourable member, is what impact it would have if Canada adopted that same type

of incentive. If that's the question, then I think, as I said in my comments, that it would limit the opportunity for consumers to purchase vehicles, because a more robust incentive would only apply to a limited number of vehicles that would be built in Canada or the United States. That's at odds with Canada's other objective of getting more zero-emission vehicles on the road, especially under a zero-emission vehicle mandate, which the government is currently considering as well.

Mr. Chris Lewis: Thank you, Mr. Adams.

If I heard you correctly, I believe you said your members put approximately 56% of the EVs on the road that received a federal iZEV initiative. Can you expand a little bit further on that, please?

Mr. David Adams: Sure. As the committee may or may not know, the federal government has put in place a federal incentive program of up to \$5,000 for zero-emission vehicles. There are certain constraints on that program, in terms of the MSRP caps for instance, on the vehicles that are eligible. It's currently set, I believe, at around \$45,000, so any vehicle priced over \$45,000 is not eligible for the incentive. Canadians can apply regardless of the province they live in, and the incentive occurs at the point of sale at the dealership.

• (1620)

Mr. Chris Lewis: That's excellent. Thank you.

Again, sir, I'll go back to you. I'm sorry to put you on the spot so early.

To your understanding, Mr. Adams, what is Canada's current zero-emissions policy, and has it or has it not impacted the auto trade sector in Canada? If it has, what can be done to alleviate it or make it better or stronger?

Mr. David Adams: Right now, I guess zero-emission vehicles would fall under the current greenhouse gas emission regulations, so we would argue that, with more stringent regulations, you end up effectively with a de facto zero-emission vehicle mandate, because the only way the vehicle manufacturers would be able to attain those emission standards under increasingly more stringent regulations would be to put more zero-emission vehicles on the road.

As far as zero-emission vehicle legislation is concerned in Canada, two provinces currently have what are called zero-emission vehicle mandates: British Columbia and Quebec. Each province requires manufacturers to meet a certain percentage of zero-emission vehicle sales as we move forward, and increasingly more stringent levels as we move forward. The federal government, as I mentioned, is currently looking at introducing a national zero-emission vehicle mandate.

Mr. Chris Lewis: Thank you, Mr. Adams.

Madam Chair, how much time is left, please?

The Chair: You have two minutes and 20 seconds.

Mr. Chris Lewis: Thank you, Madam Chair.

Thank you, Mr. Adams.

Mr. Agnew, I'm going to turn my attention over to you, sir. Thank you for your testimony as well.

You said that two things really impact the Essex-Windsor area. Of course, that's supply chain resiliency and Line 5. I know they impact more than Essex-Windsor, but I'm going to suggest we're kind of the front lines. Obviously, what's happening in Essex-Windsor right now with the supply chain and our borders will have a major trickle-down effect not only for the Ambassador Bridge but for the Blue Water Bridge and the Peace Bridge in Niagara Falls. I'm very much aware of that, so thanks for bringing that up.

With regard to Line 5, I'm just curious. With regard to your industry, your manufacturers, if we can't come to a solution between Canada and Michigan or Canada and the United States, is there a dollar figure or a percentage you could put to that with regard to the impact on the industry? How significant is Line 5 and getting all people back to the table and discussing this moving forward? I heard a lot of anxiousness, I'm going to call it, in your remarks, and of course I'm anxious about this too, as many of us are. I'm just curious: Do you have any numbers for that, sir?

Mr. Mark Agnew: I can commit to following up via the clerk and the chair with the numbers that we do have. I don't have them at hand.

I think, certainly qualitatively, there is the concern about the transportation infrastructure in the southwestern Ontario region that risks not having the fuel it needs to move, whether it's trucks or aircraft, with what's going through the Line 5 pipeline, but I would be happy to follow up with some numbers for the committee's consideration.

Mr. Chris Lewis: I'm assuming I have only about one more minute, so I'll stick with you, Mr. Agnew.

The Chair: You have 36 seconds, sir.

Mr. Chris Lewis: I'll give it over to my friends across the way and I'm going to work collectively. As you can see, we work together.

Thank you, Madam Chair.

The Chair: Wonderful.

We will move on to Mr. Virani, for six minutes, please.

Mr. Arif Virani (Parkdale—High Park, Lib.): That means I have six and a half minutes. I'll thank Mr. Lewis right now.

Thank you very much, Madam Chair.

I'm going to start with you, Ms. Cobden, because you mentioned something that came up in the testimony of some of the other witnesses as well. You talked a little bit about the nature of the shift that's going on with the Biden administration: the fact that they're looking very vigorously at carbon reduction and reducing carbon-

intensive programs, and the fact that they want to do trade with entities that have positive carbon policies in place and greener policies in place. You mentioned specifically their orientation vis-à-vis the EU on that front, as it compares with China.

Can you tell me, from your perspective, Ms. Cobden, when we have a situation where we have a track record of significant policy that has been implemented here in Canada, including things such as putting a price on carbon pollution, what does that do in terms of our competitive advantage when we are dealing with the Biden administration and putting our best foot forward as a green partner with whom to deal?

• (1625)

Ms. Catherine Cobden: Yes, in fact I believe that Canada is very well positioned to put our hand up, and we should put our hand up and say that we want in as well.

When you take a look at the specifics—and by the way, both Jean and I were referencing the same agreement because it applies to both aluminum and steel—when you take a look at that, you see that this is a trade agenda with partners who are willing to be green.

On the steel side, I can say that what's very powerful is that the North American steel industry has the best climate performance of any steel industry in the world, collectively, and that of course applies specifically to the Canadian steel industry, but that's right across North America. I see this as a tremendous opportunity, not just with the regulatory structure we have in place and with the vision we have in place, but also because the industries themselves have that green performance.

My only caution, if I may offer one, is that we must really work in lockstep with our trading partner and not rush out ahead too far on important items like border carbon adjustment mechanisms and that sort of thing.

Mr. Arif Virani: Thank you.

I'm going to build on this a little bit. We've heard a little bit about what we're doing federally, but also just in terms of this committee hearing we've heard about what's going on in certain provinces. I know that in some provinces around the country we're moving in the same direction with things such as replicating our support for the EV industry. That support is also being shown in B.C. and Quebec. It was being shown by the Province of Ontario until a change of government occurred in 2018.

Could you comment on this? When a change of government occurs at the provincial level and EV tax credits that were once there are summarily removed, what impact does that have on promoting the green advantage that Canada offers?

Ms. Cobden, perhaps you could comment on that, and also Monsieur Simard.

Ms. Catherine Cobden: I actually think this question might be better placed to the automotive sector.

What I can say is that no matter where the steel is being produced in Canada, we are meeting and exceeding the best there is in the world. We are number one in the world on one production type, and number two in another. There are 50 or 60 nations around the world producing steel, so we can hold our head up high.

I would advocate, as I always do, that we need to be aligned federally and provincially in cross-border deliberations. We don't have to be aligned on the exact minutiae, but in terms of the intent and the content of the dialogue. I do think climate is a place where we need to have that alignment in cross-border discussions.

Mr. Arif Virani: Mr. Simard, go ahead.

Mr. Jean Simard: I totally agree with Catherine. Our industry has the lowest carbon footprint in the world, and it is moving on to no carbon footprint eventually, with the Elysis project. [*Technical difficulty—Editor*] anchored in two provinces that have carbon pricing mechanisms: namely, B.C. with its tax, and Quebec with its cap and trade system.

We can very robustly approach any system in the world in any trading bloc, with both our footprint and the pricing mechanism, which pass the test of the World Trade Organization or any other organization. Basically, the message here is that Canada has a very highly competitive natural advantage moving forward in the quest to decarbonize the world. Let's get on the ice.

Mr. Arif Virani: Thank you.

I'll put the last question to Mr. Kennedy.

A number of people on this panel have talked about CUSMA. You mentioned not taking it for granted—that's one of the notes I jotted down here—that we have this agreement, and it's been modernized. We've heard some testimony at other meetings of this committee about CUSMA and the dispute settlement mechanisms, and about how that's been improved in favour of Canada and countries like Mexico. I know that we joined a piece of litigation initiated by the Mexicans with respect to things like country-of-origin labelling and how that applies in the auto sector, and specifically to the component parts of the automotive vehicle.

Can you give a comment to the committee on those improvements to the dispute settlement mechanisms within CUSMA and what that does for Canada and Canada's position?

The Chair: I'm sorry. I will have to ask for a very brief answer to a very long question.

• (1630)

Mr. Trevor Kennedy: Sure.

Very briefly, not only for Canada and Mexico but also for the United States, we now have a framework that there's confidence in. It's enforceable, and we're starting to see the early stages of that agreement working the way it was intended. I would say that's a positive development for North American trade.

The Chair: Thank you, Mr. Kennedy.

Monsieur Savard-Tremblay, you have six minutes.

[*Translation*]

Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ): Good afternoon, everyone.

My question is for Mr. Zaghib.

Generally speaking, we anticipate a relative, even significant, increase in demand for electric vehicles. Electric cars are more and more popular and people are increasingly talking about them.

Canada is investing extensively in the electrification of public transportation. For example, tax measures are being introduced to promote electric vehicle purchases.

According to some stakeholders, however, Canada should do more to ensure that the entire supply chain and economy benefit from that increasing demand. I'm thinking, for example, of Matthew Fortier, president and CEO of Accélération, a coalition of Canadian industry players. He isn't alone in thinking that Canada has wasted a lot of time and that the current strategy should have been in place long ago.

Is Canada lagging behind other countries?

Dr. Karim Zaghib: That's an important question.

Now's the time. Most electric and “regular” car companies will go all in on the electrification of transportation within five years. It's the Kodak syndrome. Canada isn't lagging behind because it has an extensive ecosystem, but it has to seize this opportunity.

Lithium-ion and iron phosphate battery technologies originated in Canada and the United States but have unfortunately been transferred in part to Asia. Consequently, the federal government and the provinces must work together, and soon, to restore industrialization in the manufacturing sector, and for both sectors. As I said earlier, it has to create a budget and establish a policy and strategic plan. It won't be too late if we do that soon.

As I said earlier, Canada has an extensive ecosystem: natural resources, human capital, technology and its strategic position in relation to the United States and Europe. “Regular” car manufacturing is already well established in Ontario, as is truck, bus and other vehicle manufacturing in Quebec and other provinces.

In short, Canada isn't lagging behind, but it has to board the train as soon as possible.

Mr. Simon-Pierre Savard-Tremblay: How do we board the train as soon as possible?

Canada isn't a laggard, but it wants to maintain its position. It could even get ambitious and take the lead.

Dr. Karim Zaghib: Take the Quebec government, for example. Quebec has made a \$10 billion five-year investment through an initiative.

We need to bring investors and the manufacturing industry back to Canada. Government should also put up 50% of the financing, as the United States, China and other countries are doing.

We need to assist companies that set up here by offering up to 50% financing, which would be shared by the federal government and the provinces. We have to provide them with turnkey sites and find them clients. Clients are very important. We need to ensure that existing companies transform gas-powered cars into electric cars.

Mr. Simon-Pierre Savard-Tremblay: You mentioned the policies we could adopt here, and that's all well and good. It's important for us to do that. However, as you know, the Canadian government and the U.S. president, Joe Biden, have reached an agreement on strategic minerals.

Should we take that further and, for example, implement a more powerful and assertive strategy for batteries? Do you think the Americans trust Canada despite the build back better plan's policies on the sale of electric vehicles?

Dr. Karim Zaghib: Earlier I talked about securing the green supply chain. In a way, Canada is the backbone of this effort because all the necessary minerals can be found here. However, those minerals have to be processed. We mustn't sell off our minerals cheaply; we need to do both primary and secondary processing. We can opt for what are called active anode and cathode materials or for cells. We mustn't take raw nickel or iron, for example, and process them.

Job creation is important in Canada. We're becoming an equal partner with the United States. The idea is to join forces and act as a counterweight to Asia. We can't disregard the fact that most battery manufacturing and the electrification of transportation is being done in China, Korea and Japan, not the United States or Canada. Consequently, we have to work together in complementary fashion.

Furthermore, as I explained earlier, we also have to consider the green circular economy when it comes to minerals. We mine them and process them, but you can't forget recycling. We need to strike a balance between urban and natural mining.

• (1635)

Mr. Simon-Pierre Savard-Tremblay: Thank you for that clarification.

If my understanding is correct, you're telling us that Canada nevertheless has to step up its efforts to establish a position of strength and to be considered more as a partner by the Americans when we negotiate with them.

Dr. Karim Zaghib: Yes, I entirely agree. Canada confirms that it has the critical minerals, human capital, intelligence and technology. Earlier I mentioned iron phosphate, which is used today by Tesla and other companies around the world. That material originated in Quebec, in Canada. We've had the technology for 27 years.

The solid-state battery also originated in Quebec, in Canada. So we have...

[English]

The Chair: Thank you very much, Mr. Zaghib.

I'm sorry, Mr. Savard-Tremblay. Your time is up.

[Translation]

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

[English]

The Chair: We will move on to Mr. Masse, please.

Mr. Brian Masse (Windsor West, NDP): Thank you, Madam Chair, and thank you to the witnesses for being here.

This is actually a really good time, for those who aren't aware.... Madam Chair, you've heard this many times before, and Mr. Hoback has as well. I want to thank you for the work on a new border crossing. If I go to my right-hand side here, I can walk for 20 minutes and be in front of a major demonstration that's taking place and shutting down the Ambassador Bridge. If I go the other way for about three minutes, it's the international tunnel between Windsor and Detroit.

What gives me great concern right now is that we do all this work to try to attract investment and so forth, and then we see destructive practices taking place. The Stellantis plant is down again. Not only did we have a shortage of microchips these past couple of years, which has been a significant problem, but the production and the supply chain have also been disrupted.

I'm going to ask Mr. Adams to start, and I would invite any other witnesses to chime in.

Do they have any other ideas, alternatives or suggestions? We're trying to build redundancy...and I want to thank the chair and Mr. Hoback. How many meetings have we had with the United States to get a new border crossing? My first public meeting was in 1998 at Marlborough Public School. How many congressional and Senate rooms were we in to fight back to get it?

What can we do better with regard to providing redundancy in our supply chain or management practices for our border? Even if we fight to get some of this new green technology with EV batteries and so forth, if we're not going to have a solid supply chain... How can we improve that right now to make things better? Obviously, the current status quo is failing us.

Mr. David Adams: Thanks very much for that question. I appreciate it.

You hit on one of the key points. I think I've been around as long as or longer than you have, and the Gordie Howe bridge has been the topic of conversation for a while. Once that structure gets completed—we're talking about 2024 or something like that, finally—I think that will provide a level of redundancy.

At the core, we really need all Canadians to operate under the rule of law. I think right now we're seeing too many places across this country where some Canadians are not operating under the rule of law. They're affecting not only businesses, but the lives of individual Canadians. This is very problematic.

From an automotive perspective, what you're also seeing is companies beginning to rethink just-in-time delivery as well, because of the chip shortage you mentioned and because of other supply chain issues that have occurred. I think they're starting to recognize that they need to perhaps bring more components and whatnot closer to the assembly facilities and move away from single-source supplying to a certain extent.

That would be my comment. Thank you for the question.

Mr. Brian Masse: Thank you.

I remember the days when I was working in plant three and plant six—they don't call it that anymore—of the Windsor Assembly Plant, where you'd actually have two days' stock behind you, right on place. Those days are gone now.

Would anybody else like to comment on this? I can't read the room for the people at home. I just want to open it up in case those who are online want to mention something.

● (1640)

Ms. Catherine Cobden: I think it's a really important question, especially when we're dealing with what we're dealing with today in this real-time moment. We do need to look at this.

In addition to border management, both physical and access, I think I would ask you to please keep in mind some of the other types of border measures that we need to take care of. Unfair trade practices into our nation continue at pace. We are seeing unprecedented levels of unfairly traded imports right now. I'm just asking for a broad view of borders—not to deter or detract from the importance of this moment in time.

Mr. Brian Masse: That's a good point. You have all kinds of knock-offs and other types of things. We looked at this before at the industry committee, so thank you for that point. It is something that's really...and also changing some of the ways in which CBSA officers can detain different materials and so forth. It's a really good point, so thank you.

Go ahead, Mr. Agnew.

Mr. Mark Agnew: I would just say that there are a lot of measures, depending on the sector you're talking about. Some are short-term and some are long-term. I can give you two examples of trade-facilitating measures. One [*Technical difficulty—Editor*] they're looking at new deployments of IT platforms later this year. Industry doesn't think they're ready for prime time. I think not layering on things that will further compound the situation is one thing that the government can tangibly do to help companies that are involved in trade.

Another, for instance, is around export permitting. This is a difficult thing for companies that need to export controlled goods. Again, having the expedited issuing of those permits would certainly help companies that need to plug into global supply chains.

Mr. Brian Masse: Thank you.

Madam Chair, if I disappear during the meeting, I mean no disrespect to our guests. I'm dealing with the issue down here. I may not be able to stay for the whole meeting. I apologize for that. If I disappear, I really don't want to disrespect our guests here today. I will go back through the Hansard later.

I just wanted to make sure that was clear.

Thank you very much to our witnesses.

The Chair: Thank you very much, Mr. Masse. I wish you good luck. We're all very concerned about the issues at the bridges as well. We'll all be keeping our fingers crossed to get that solved.

Go ahead, Mr. Patzer.

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

I'm going to start with the Canadian Steel Producers. I was just looking through a list of LNG projects that have been cancelled around the world. Of the 11 largest projects, eight were in Canada. I'm just curious to know, for your member companies, how big an impact that has had, seeing that many potential projects cancelled that would be looking to you as Canadian pipe.

Ms. Catherine Cobden: I can't state enough how challenging things have been in the energy sector. Of course, the steel industry relies on the energy sector as a key customer. We're working in lockstep together to do what we can to green their supply chain for them through our aspects and also what they're up to.

There is no doubt that Canadian steel in these projects—whether it's an LNG project or anything, frankly, a bridge project or what have you—is fundamental to the lifeline of the communities [*Technical difficulty—Editor*].

So thank you for the question. Yes, I do agree that these things are challenging for us.

Mr. Jeremy Patzer: I'm wondering if you could comment on how much more environmentally friendly Canadian steel is over our competitors' steel. I'd like to think specifically about Evraz steel, which is in Regina. Upwards of 90% of their steel is actually recycled.

I'm wondering if you could comment further on how much more environmentally friendly our steel is in Canada.

Ms. Catherine Cobden: I'm very proud of the track record of the Canadian steel industry. It is great to hear the Evraz story. The Evraz story is replicated across the country.

I will say that third party reports, many of them out of the United States, are pointing to Canadian steel as the greenest in the world. As I mentioned, we're first and second in the world for our two production types. These are detailed third party engineering studies that really determined that the Canadian steel industry is doing a great job of producing some of the greenest steel in the world. We're very proud of that fact.

Mr. Jeremy Patzer: Last of all, do you have any statistics that you could present to us, either right now or maybe in a submission later to the committee, about how much lower global emissions would be if we used more Canadian steel instead of importing steel?

• (1645)

Ms. Catherine Cobden: Again, I can get you some more statistics, but honestly, this is a huge opportunity for our country and, frankly, for North America.

Back to the context of Canada-U.S., the North American industry has a lot to be proud of. If we were to strengthen our North American steel relationship and deal with unfair traders, I think we would save an awful lot of CO₂.

We can give you some specific numbers of what “an awful lot” means, but definitely it is a big number.

Mr. Jeremy Patzer: That's awesome.

Yes, if you could submit those to the committee, I would greatly appreciate that. Thank you.

I'm going to switch my focus over to Mr. Zaghib.

I'm just wondering if you could share your thoughts on where Canada is at for developing critical minerals domestically. I ask because I've heard a lot from industry and others about excessive timelines for approval getting in the way, as well as some upcoming potential tariffs under CUSMA with regionally sourcing lithium for EV batteries. I'm just wondering if you have any comments on that.

Dr. Karim Zaghib: I believe you are right. I think the basis of lithium-ion is the lithium. I think we already have lithium in Canada, so we can transform it here. Right now we can make lithium carbonate or lithium hydroxide, and I believe it is made and transformed here in Quebec or in Canada. I do not think there are any issues about CUSMA.

This material becomes critical. I believe it is better if this material is put into cathode active materials and can become a precursor also, like raw materials. In order to sell these kinds of material, maybe we should add value to make with this material electrodes, or cathode materials like iron phosphate or NMC or NCA—nickel cobalt aluminum—with lithium batteries.

This is critical, and I believe right now we can see that lithium is the triangle of South America—Chile, Argentina and Bolivia—which is mainly dominated by the U.S.A. and China. I believe we have six mine sites here in Canada. We should really accelerate and help them develop the materials as soon as possible.

Mr. Jeremy Patzer: Thank you.

The Chair: Thank you very much.

We will move to Ms. Dhillon now.

Go ahead, please, for five minutes.

Ms. Anju Dhillon (Dorval—Lachine—LaSalle, Lib.): Thank you, Madam Chair.

[Translation]

Mr. Simard, since the automobile industry is concentrated in Ontario, as a member from Quebec, I'd like you to explain to us the overall effect the proposed tax credit will have on Quebec's aluminum industry businesses that form an active link in the supply chains essential to our Canadian automotive industry.

Mr. Jean Simard: As I mentioned at the outset, in the current market context, 90% of the aluminum produced in Quebec and British Columbia is sold to the United States. What's important to understand here is that Americans, who consume 6 million tonnes of aluminum a year produce only 1 million tonnes. Consequently, they have to import the rest, and Canada is the source of approximately 70% of what the U.S. imports to meet those needs.

As a result, from our standpoint, with regard to primary production, a tax on electric vehicles or any similar measure wouldn't affect jobs or production because our plants operate at full capacity 365 days a year to meet the needs of a market that can never get enough metal. That's why the United States has to meet the rest of its needs by importing aluminum from countries such as India, Russia and others in regions around the world. It's the biggest and most profitable aluminum market in the world. There are no primary metal impacts.

• (1650)

Ms. Anju Dhillon: Okay.

As you know, the federal government offered serious incentives to encourage people to buy electric vehicles. How do you feel the United States could promote the purchase of electric vehicles made in North America?

Mr. Jean Simard: I'm going to reply from the industry standpoint again. Taking what we discussed earlier into consideration, by which I mean the need to reduce the carbon footprint and offer consumers solutions that help to do that, the best policy should reward those who purchase vehicles made from materials that have the smallest carbon footprint, namely steel and aluminum products made in North America.

Ms. Anju Dhillon: What do you feel is the ideal way to reduce the carbon footprint of vehicles?

[English]

Mr. Jean Simard: As we say in English, that's how you get the most bang for your buck.

[Translation]

For every dollar spent on a vehicle, there would be much more of an impact on decarbonizing the planet because the production cycle would create the lowest possible level of carbon and deliver a vehicle that emits as little carbon as possible.

Ms. Anju Dhillon: Thank you very much.

I will end there, Madam Chair.

[English]

The Chair: Thank you very much.

We'll move on to Mr. Savard-Tremblay for two and a half minutes, please.

[Translation]

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

I have a question for Mr. Adams this time.

Mr. Adams, I believe you mainly represent the personal vehicle market. I will nevertheless ask you my question, and you can tell me if you can answer it.

Some heavy vehicle manufacturers, including Lion Electric and Vicinity Motor Corp., are building facilities in the United States, partly in order to shelter from protectionist measures. They figure that if vehicles have to be assembled in the United States, they will move their plants there.

Even though the bill has not yet become law, and even though we don't know whether it ever will, there is still what we might call an anticipation impact that is leading companies to avoid the worst by opening plants there. Are you already feeling the impact of the Buy American Act and the potential EV tax credit proposal, in terms of factories moving to the United States?

[English]

Mr. David Adams: Thank you. It's a very important question and I appreciate it.

As I mentioned in my testimony, we are already probably seeing some of the effects of just the threat of an EV tax credit as it's been structured under the build back better bill. Whether or not the tax credit remains as part of any new build back better bill, which is largely dormant at the moment, remains to be seen. However, I would say that it definitely casts a pall over investment in Canada when any EVs that would be built in Canada could potentially be prejudiced by a tax credit that would only be applicable to American-built vehicles.

It's tough to go into a market where 85% to 90% of our vehicle production goes when you're at a \$12,500 disadvantage.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Do you feel that Canada is taking a strong enough position on this issue?

[English]

Mr. David Adams: I think the federal government is doing everything it can to make officials in the United States aware of the issue and its impact on Canada.

As I said in my comments, there's some ignorance—with all due respect to American legislators—in that they weren't aware of the impact on Canada of those provisions in the build back better bill. With respect, again, it's a humongous bill. I think it's \$1.7 trillion and it includes many things, so it's not beyond the realm of expectation that some regulators in the U.S. would not know anything about the EV tax credit.

I believe the federal government, the consuls general and certainly the trade minister are actively engaged in this file and doing everything they can to find a solution. It may be the solution they alluded to in the letter that the trade minister and the Deputy Prime Minister sent last fall—

• (1655)

The Chair: Thank you, Mr. Adams. I'm sorry to interrupt.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: Thank you, Mr. Adams.

[English]

The Chair: We'll move on to Mr. Masse, please, for two and a half minutes.

Mr. Brian Masse: Thank you, Madam Chair.

You can finish your thoughts there, Mr. Adams, please.

Mr. David Adams: I was just going to say, that's in terms of the potential retaliatory measures that were outlined in the letter that the Deputy Prime Minister and the trade minister sent down to senators last fall.

Mr. Brian Masse: I just want to follow up on that. There have been a number of other trade issues with the United States, not just this one. Do you have any suggestions for a more robust approach to deal with those things? We're going from piece to piece: softwood lumber, dairy, a whole series of things. Do you have any suggestions on that? It's becoming a whack-a-mole on these things.

Mr. David Adams: It is, and it doesn't seem to matter whether it's Republican or Democrat; we have a protectionist sentiment in America right now. As other witnesses have suggested, and we would concur with that, we need to have a more structured and more engaged full team Canada approach to ensure that we help Americans understand that when they put in measures, either knowingly or unknowingly, that impact Canadian industries, it also impacts their own industries and their own citizens.

Mr. Brian Masse: Thank you.

I have a very quick question for Mr. Simard.

With regard to the time frames towards getting us more competitive, can you give us an idea...? Are we late to the game, or can we still make up time with regard to EV, the minerals and the connections?

Mr. Jean Simard: It's very hard for me to answer this question. I think it's more Mr. Zaghbi who was handling this subject, if I may say.

Mr. Brian Masse: Sure, thank you, and I'm sorry. I didn't mean to put you on the spot that way.

Mr. Jean Simard: That's okay.

Mr. Brian Masse: Mr. Zaghbi, go ahead, please.

Dr. Karim Zaghbi: I believe, as I said, on the minerals, we should have hard negotiations, and this is very important because they depend a lot on our minerals, especially for EV vehicles. It can be for the motors, it can be for the batteries, it can be for bodies. Also, we need to be sure that we are taking them....

Beyond that, I said not only minerals. We have the technology, and we have the human capital, so three of them. I think this is a very interesting strategy, that if we are negotiating with them on this one, we say you cannot get our lithium; you cannot get our nickel or cobalt; you cannot get our patents or technology. IP is very important. The patents are very important. So—

The Chair: Thank you very much, Mr. Zaghieb.

We have Mr. Martel for five minutes, please.

[*Translation*]

Mr. Richard Martel (Chicoutimi—Le Fjord, CPC): Good afternoon, everyone.

My questions are for Mr. Zaghieb.

Mr. Zaghieb, I found your exchange with my Bloc Québécois colleague interesting and would like to hear more from you on the question of phosphate.

There are several advantages to lithium iron phosphate batteries, including their lifespan, efficiency, and light weight.

In view of everything I've seen, why is phosphate not yet considered a critical mineral in Canada?

Dr. Karim Zaghieb: With respect to iron phosphate, the priority is to have the safest battery. There has recently been talk about lots of safety recalls because of fire risks. We have this technology in Quebec and Canada. Phosphate production should quickly be channeled properly because it's not only used in batteries, but also food safety. There are numerous applications. Quebec and Canada should become producers of both phosphate and iron. Phosphate should not only be on the critical minerals list, but also be considered critical for national security, because it is used for energy and food.

Mr. Richard Martel: In Saguenay—Lac-Saint-Jean, we have a mining company called Arianne Phosphate. It's also very high quality phosphate, and people know it.

Why are we not investing in lithium iron phosphate batteries when we have the resources to do so?

• (1700)

Dr. Karim Zaghieb: I'll give you an example. A few weeks ago, Elon Musk, the owner of Tesla, decided to use iron phosphate in most of his vehicles.

Even though iron phosphate technology was not invented by China, it has been using it since the 2010 Olympic Games. Iron phosphate is now considered critical for national security in China. We need to develop a strategy, with financial statements and things like that, to enable all the provinces, and not just Quebec, to work together to make iron phosphate the national flagship of the mining sector.

As I was saying, phosphate has many applications. It's not only for batteries, which contain only a small quantity. It can be used for fertilizer, food safety and all kinds of electronic applications. A little earlier, we were talking about electronics. We need to bring back the electronics foundries, because phosphorus can be used for silicon doping.

It has all kinds of potential applications.

Mr. Richard Martel: Mr. Zaghieb, in an interview on the 1st of October, 2020, You mentioned that Quebec was in a good position because of its natural resources. At that time, you were expecting Canada to have several lithium battery production plants within three years. I'm sure you know where I'm going with this.

And yet today, the only plant is expected for 2023. Why has the Canadian government been so slow in building processing facilities?

Dr. Karim Zaghieb: I spent 36 years of my life working in the field of lithium-ion batteries. As I said earlier, I think that campuses are needed. Land needs to be provided or supplied on a turnkey basis. Support is needed for the rapid installation of plants, as the Chinese, Koreans and Japanese are doing.

My view is that money needs to be invested. The minimum should be 50% to speed things up. A bold strategy is required and the government of Canada, together with the provinces, needs to have the courage to speed up the energy transition in Canada, particularly with respect to batteries.

Mr. Richard Martel: Mr. Zaghieb, how do you think we could make Canada's critical minerals and supply chain indispensable to the manufacturing of batteries and electric vehicles, particularly in partnership with the United States?

Dr. Karim Zaghieb: My view is that the United States needs us.

As I was just saying, we need to talk to the United States. I'm not ungrateful. For 27 years of my career, nearly all of my research projects were funded by the United States Department of Energy. The Americans are receptive, but we need to find the right government intermediaries who want to work with Canada.

We have the technology and we have the ore. They should come here. We're not there simply to supply resources. We need good intermediaries, solid committees with more people, and not just the general public...

[*English*]

The Chair: Thank you very much, Mr. Zaghieb.

[*Translation*]

Mr. Richard Martel: That's very interesting, Mr. Zaghieb.

[*English*]

The Chair: We'll now go to Mr. Miao for five minutes.

Mr. Wilson Miao (Richmond Centre, Lib.): Thank you, Madam Chair.

A few of you may have heard from a large range of stakeholders on the Canada-U.S. issue.

I'd like to address this question to you, Mr. Agnew. In your role at the Chamber of Commerce, would you say that the EV industry has the potential of being one of the biggest threats to the Canadian economy?

Mr. Mark Agnew: I'm sorry. Just to clarify the question, are we talking about the EV tax credits or the electric vehicle industry as a whole?

Mr. Wilson Miao: I think as a whole, but also with regard to the EV tax credit.

Mr. Mark Agnew: Maybe I'll talk about the EV industry as a whole. I think the answer is that there's absolutely tons of potential. I think Mr. Zaghbi talked about this in his remarks.

When we talk to our members about the potential opportunities here in Canada, there's a major juxtaposition that we can make to our benefit, particularly against markets such as China. These are markets that are not reliable and stable sources of supply, whereas we have a lot of these products in the ground. I think we need to do a much better job of getting them out of the ground and promoting the Canadian advantage, whether you want to call it a geo-economic advantage or a natural resources advantage.

There's a lot of potential there. I think we can go to our allies—not just the United States, but the G7 and other western industrialized nations—to really promote the strength of our domestic rare earth and critical minerals industry.

• (1705)

Mr. Wilson Miao: As you've also mentioned about the EV tax credit, many stakeholders and industries have been quite vocal on it, and some of them are pretty actively engaging with their American partners to voice their concerns. In picturing the impact that this bill could have on U.S. operations, do you think the Chamber of Commerce has any other engagement with its counterparts? What are their responses on that?

Mr. Mark Agnew: Yes, certainly. On the whole host of buy American issues, we always engage a lot with our colleagues at the United States Chamber of Commerce. The U.S. Chamber of Commerce, I think, is our best business ally in the beltway in Washington, D.C., and certainly the U.S. chamber has traditionally taken a very strong line on any type of buy American measure, because they generally do believe in and support the importance of cross-border trade.

Mr. Wilson Miao: Thank you, Mr. Agnew.

I'd like to open this question to anyone else on the floor as well.

Mr. David Adams: I guess your question was whether or not the EV tax credit, as it's currently outlined, is problematic for the Canadian industry.

Mr. Wilson Miao: Yes.

Mr. David Adams: We would say that it is, because, if the intention is for the Canadian industry to produce some of these zero-emission vehicles that the government wants the whole industry to sell—50% by 2030 and 100% by 2035—then yes, we could certainly sell those in Canada, but the reality is that most of the plants in Canada, if not all of them, are currently structured to export 80% or 90% of their production to the United States, so if we're at

a \$12,500 cost disadvantage in shipping EVs into the United States, it's fundamentally problematic for the Canadian industry.

Mr. Wilson Miao: Thank you, Mr. Adams, for that answer.

That's all, Madam Chair. Thank you.

The Chair: Thank you very much.

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

Mr. Randy Hoback: Thank you, Madam Chair.

Thank you to all the witnesses for being here. There are so many areas to go into and so little time.

Let's start off with the Canada-U.S. relationship. Maybe I'll start with Mr. Kennedy.

You made some comments about being proactive in the relationship and making sure that we're always there talking about the importance of the relationship and the mutual benefits of trade between Canada and the U.S. Do you want to highlight some of the things this could look like, like parliamentary exchanges, and any other ideas you may have in that regard?

Mr. Trevor Kennedy: I'd be happy to. I know that some parliamentarians did travel to the United States, I believe in December, which is a good example of what can be done on a bipartisan basis.

There's a great consul general network across the United States that's well plugged into state lawmakers, as well as their senators, congressmen and governors. It's about having a constant drumbeat of officials, labour, business and others speaking to people across the United States about the benefits of the relationship to make sure that, in the future, if there is another build back better program or something similar, there's at least an understanding that there's a Canadian element to that piece of legislation or whatever the decision happens to be.

As we saw with the USMCA negotiations, it's a matter of all hands on deck. America is focused on a lot of things right now, a lot of internal issues but also external, and we really need to do our part to make sure that Canada has at least a bit of attention, given its various focuses.

This is just to say that there's a lot we can do, and this moment is a good example. We are very fortunate to avoid—

Mr. Randy Hoback: Mr. Kennedy, I only have five minutes. You made the point that I wanted you to make, for sure.

Mr. Agnew, you also talked about the importance of the relationship and what the U.S. Chamber of Commerce... I've met with the U.S. Chamber of Commerce. Pretty much every time I go down there, I try to meet with them. With the interruptions we're seeing at the border, both at Coutts and in Windsor, we're starting to see backup now. For example, the packing plants at Cargill are saying they have a situation now where they have so much meat in the lockers they can't get it across the border.

What would you say to this government in regard to ending those blockades? What do you say in regard to vaccine passports and mandates, and what would your members say in regard to ending the mandates and seeing resumption of travel across the border?

• (1710)

Mr. Mark Agnew: I think there are two separate issues that I'll try to quickly touch on.

In terms of the cross-border travel rules, one thing that we've been quite concerned about, for example, is the requirements for the predeparture PCR test for fully vaccinated travellers, as well as the arrival test that people have to do if they are fully vaccinated. I think that is one measure.

With regard to the border blockade piece, we issued a statement yesterday with over 70 industry associations calling for all levels of governments to co-operate on clearing those blockades. When we talk about critical pieces of infrastructure, I think the Ambassador Bridge checks off as many boxes as you could possibly imagine for being important to the Canadian economy.

Mr. Randy Hoback: Yes, I think we all want to see a peaceful resolution to the end of the demonstrations that are going on there, and we want to see some resolution with regard to travel across the border.

Mr. Agnew, when we talk about the relationship with the U.S. and looking at the U.S. side of things, where do you see potential to grow?

When I was down there in December, when I mentioned rare earths or lithium, their eyes just got big, because they see the future in that, and they hate the fact that they have to go to China to get it. Why aren't we spending more time talking about the things we can do to build the industry together, instead of always coming in when there's a problem?

Mr. Mark Agnew: I fully agree that we need to be proactive about it. The White House commissioned a bunch of supply chain reviews. The Canadian Chamber participated in the U.S. Department of Defense and Department of Energy ones.

The case that we continue to make is that we can't go there with a supplicant list of things that we want them to do for us. We have to make sure that we're talking about what we're doing and how it aligns with and supports what the United States is also trying to do, because it has to be mutually beneficial for both countries.

Mr. Randy Hoback: I have one last question for Mr. Adams.

It's a very practical question for me as a parliamentarian. I have one dollar to spend. We want to see this industry thrive and we want to see it grow. Where do I put that dollar? Do I put it into the power companies to get you the plug-in for the electric car? Do I put it in the grid? Do I subsidize the electric car?

One conversation that hasn't happened across North America and needs to happen is how we're actually, practically going to put power in these cars. How are we going to plug them in? I have an older condo here in Ottawa that was built in the seventies. There is no capacity in that condo right now to allow electric vehicles to charge at night.

Where do I spend that dollar?

Mr. David Adams: It's a very good question. I think if you could find somebody to answer it, you'd be a rich man.

Really, I would divide the dollar up into three pieces. We need part of that dollar to go to infrastructure. That may, in some ways, be a more important piece than the incentive. We need part of that to go to incentives, and we need part of that dollar to go to education.

Those would be the three key pieces.

The Chair: Thank you very much, Mr. Adams.

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

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

It's nice to see the representatives from the steel and aluminum industry here today. We have the best technologies in steel and aluminum, but there's a big "but" here. These industries export only to North American markets from the Canadian basis. The reason is quite clear. They are all foreign-owned and they consider Canada as just a branch. In the last 15 or 20 years, there's hardly been any increase in the installed capacity of steel industry, and maybe a small increase in the aluminum manufacturing capacity.

However, that is not the subject of today's discussion. We can approach it later.

Dr. Karim Zaghbi, it's very nice to meet you. I've seen your background.

I have called for establishing a task force to develop and implement a comprehensive strategy for the development of mines, mineral processing, battery technologies, manufacturing batteries and battery cell packing. Obviously, we all know that China has taken the lead and some parts of Europe are also well established. The United States is catching up with a lot of investments. Eight to 10 multibillion-dollar investments in battery manufacturing are being implemented right now in the U.S. In Canada, we are catching up.

Luckily, we do have quite a bit of an advantage, I would say, in terms of minerals. As we know, with our lithium-ion or phosphate, we do have a lot of critical minerals. We have an agreement with the United States to develop this mineral base here. In the last budget, we did invest in the battery mineral centre of excellence. We also have knowledge in our country. As you know, the technology research and development done in the battery technologies at Dalhousie University partly contributed to the development of the batteries for Tesla and its advancement in this field.

Dr. Karim Zaghbi, we all talk about developing mines, mineral processing, batteries, etc., but what do you think is happening in terms of the time required to develop these critical mines? Typically in Canada it takes many years for the process to go through. In the normal process, it could take multiple years. Have you seen any changes at the provincial level, whether it is Quebec or Ontario, or at the federal level to hasten the process of approval for development of new mines for these critical minerals?

• (1715)

Dr. Karim Zaghbi: For example, in Quebec, there would be a task force with the ministers of innovation, finance, environment and energy together to accelerate and reduce the time of the permit and so on. We don't take 10 or 20 years to develop the mine. It's right now.

We saw it recently with Nemaska Lithium. Nemaska Lithium is a great example. It's joined between Investissement Québec, Pallinghurst, Livent and so on. They are going to accelerate and produce lithium in the next two years. We need to have this kind of task force in order to accelerate and help the permitting for environmental permits, construction permits, the land and so on. The mining is very important.

You are right about the technology when you spoke about lithium-ion technology coming from here. When we come to the circular economies—mine, active materials, cathode materials, cells and so on—we need to have a strategy on how to use the time and also—

Mr. Chandra Arya: There's still no comprehensive strategy, whether from the federal government talking to the provincial government and the industry bodies related to mines or the technologies with the universities. So there's still a need to form a task force to look into this and implement a strategy.

Dr. Karim Zaghib: I believe so—

The Chair: Please give a brief answer, sir.

Dr. Karim Zaghib: In Quebec, the strategy is well done, but I think the federal government and the provinces should work together as soon as possible.

Mr. Chandra Arya: Thank you.

The Chair: Thank you very much.

We'll move on to Monsieur Savard-Tremblay for two and a half minutes, please.

[Translation]

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

My question is for Mr. Kennedy.

On several occasions, you called for a firmer stance towards the United States. You were saying that we need to take an approach that treats it as urgent or a crisis. In short, you said we need to think about these issues every day and even go so far as to threaten retaliation. We know that there have been some threats of retaliation and that there was supposed to be a list of products published and that certain points in the Canada—United States—Mexico agreement should even be challenged.

Do you expect things to become more contentious?

[English]

Mr. Trevor Kennedy: If this is in response to the document that was released late last year, I think in certain circumstances Canada does need to take a strong position, and we saw that in previous instances that affected some of the other industries that are here today. In a moment like now, when Canada has the opportunity to be proactive, we can present more of an opportunity for collaboration. It is always a matter of having a balance between different options and constant engagement and making sure we're ready for anything that comes up.

There are many things the Biden administration and members of Congress have proposed or discussed that we should be concerned about and be prepared for. I think we all have different things we're

thinking about, and to the extent that we're ready for that and thinking about how we would respond in the event that things don't go as planned, it would be helpful.

[Translation]

Mr. Simon-Pierre Savard-Tremblay: What forms of retaliation do you think should be on the table? What kind of response would be appropriate?

Are there any specific measures you would be prepared to advocate in this area?

[English]

Mr. Trevor Kennedy: As I mentioned, through the USMCA, we have an enforceable agreement, which is unique for Canada as well as for Mexico, in the sense that many of the U.S.'s major trade partners can't receive a resolution with the dysfunctional appellate body at the WTO. We're fortunate in that sense to have that as an option available to us. At times, we do need to communicate that when there's harm to the Canadian economy, especially when it violates part of a trade agreement we have, there are consequences for certain sectors in the United States and certain congressional districts, for instance.

I don't think that's how we should start the conversation; that's really the last option at the moment.

• (1720)

The Chair: Thank you, Mr. Kennedy.

We go on to Mr. Masse for two and a half minutes, please.

Is Mr. Masse still with us? I don't see him, so I'm going to go on to Mr. Lewis for five minutes, please.

The Clerk of the Committee (Ms. Dancella Boyi): Madam Chair, I'm sorry to interrupt.

There was a slight change in the speaking order. Mr. Martel will take the floor next.

The Chair: Mr. Martel, I understand there's been a change in the order.

Mr. Martel is up for five minutes, please.

[Translation]

Mr. Richard Martel: I have another question for Mr. Zaghib.

I would definitely like Canada to be much more independent in certain sectors. How do you feel we could make Canada more independent in the supply of key materials needed for batteries and in the local production of batteries and electric vehicles?

Dr. Karim Zaghib: First of all, we need to know our market, by which I mean the market that includes all the provinces. Canada, like China, has a market. Once we know what that market is, we look at the gigawatt hours.

If our market is really slow in terms of transitioning to the electrification of transportation and energy storage, then we need to begin implementing an independence strategy.

This means that we should think about an international vision. It's important to focus on Canada's domestic market, as well as markets in the United States and Europe.

We really mustn't forget about Europe. Canada has all kinds of infrastructures, including trains and deep sea ports. Because of the traceability of our materials via a "green" stamp—we mentioned this in connection with aluminum earlier—we could become independent. We would be king of the hill here at home. Canada could export while respecting human rights and the planet. That's important. We could do it without any CO2 emissions.

That's the strategy.

Mr. Richard Martel: At the moment, most lithium-ion batteries are produced in China. Many European countries have built infrastructures for local production; Germany did it for Tesla, and Sweden for Volkswagen.

Why can't Canada keep up with countries that have fewer resources?

Dr. Karim Zaghib: Personally, I am well aware of what's happening.

In Europe, there are local European companies: Mercedes Benz, Volkswagen, Renault, Peugeot, and so on.

What Canada has to do is require Ford, GM and Toyota, which are not Canadian companies, to produce a quota of electric vehicles here in Canada.

It would also be important to find Canadian companies. I'm talking about Lion Electric and others. It's important. Other countries have their markets, their local companies and money. Canada is capable of investing, but it needs to speed up the development of young undertakings and new companies. They need assistance.

Companies in Canada also need to be taxed. Decisions are currently being made in the United States, Japan and Korea, rather than here in Canada.

Mr. Richard Martel: Thank you very much, Mr. Zaghib.

I don't have any other questions, Madam Chair.

[English]

The Chair: We'll go on to Mr. Sheehan for three minutes.

● (1725)

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Thank you very much.

I thank all our presenters for testifying and providing us with some very good information.

I would ask Catherine from the Canadian Steel Producers Association to make two comments.

One is on what our presenters have been talking about, the low-carbon economy that the market is going to and what the steel industry, including in Sault Ste. Marie, is doing to get off coal. How many steel plants in the United States are still on coal? We know that the Chinese have a lot of coal production. Could we get some comments on that?

The second piece is again, just to reiterate... In 2019, when the 25% tariffs or the "232s" were put on Canadian steel, what kind of advocacy, in your mind, really worked well that perhaps we should be continuing to take a look at when dealing with other trade irritants?

Ms. Catherine Cobden: Thank you for both of those questions.

We're on a very interesting and important journey in the steel industry. I talked already today about our existing green performance, but we have aspirations to do a lot more and ultimately address what is a very significant CO2 emission level to net zero. We have done some very interesting work in this space.

In particular, two significant projects have been announced in partnership with the government, of course, but also with others, to see six million tonnes of CO2 eliminated from the atmosphere. This is to convert to EAFs and to have future opportunities as well, perhaps with new feedstocks yet to be defined and developed in our country. It is definitely a journey that is going to take time, but it's one that is well under way and that we are very excited about.

You asked about the U.S. I think that's one of the reasons the U.S. and Canada have such a strong play together on climate and steel. They have done some EAF conversion. Again, back to my remarks, I want to say that I think we have a huge opportunity to do things right now with the U.S. on climate, particularly as they relate to steel and aluminum, because they have a EU road map. We need to follow that and grab that as soon as possible.

As far as the section 232 lift is concerned, this was a tremendous effort by many—industry, of course, but also government, as well as many horizontal organizations, provinces, and the federal government. We took a team Canada approach that you remember well, where we actually aligned and fought our battles. The government was prepared to stand up for the [*Technical difficulty—Editor*].

I'm seeing a lot of the same playbook this time around on the EV tax credit issue. At the same time, I'm reminding us that not only do we fight the battles but we also address those issues where we work together. Back to the climate comment [*Technical difficulty—Editor*]. We do everything in our power to show the world that we are very good trading partners. We want the U.S. to see that we are just as strict on unfair traders as they are and that we can basically work in lockstep with them on the battles we jointly share.

I hope that gave you a bit of an answer, Terry, to your question.

Mr. Terry Sheehan: Thank you very much.

Madam Chair, do I have any time left?

The Chair: No, I'm sorry, Mr. Sheehan.

Mr. Terry Sheehan: I didn't think so.

The Chair: All right. I want to take this moment to thank all of the witnesses for their valuable testimony.

Thank you to our members of Parliament who are attending. Everybody was on time.

I will move to adjournment. Thank you all very much.

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