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Auto Industry Report Card on Federal Budget

Failing Grades and Mixed Progress on Zero Emission Vehicle Measures

OTTAWA, April 14, 2022—Canada's leading automotive industry associations released an "Auto Sector Report Card" on the Federal Budget and the policy steps needed for Canada to achieve its zero-emission vehicles (ZEV) sales targets. The report card gives several failing grades and highlights the government's lack of progress on the action needed to match the historic investment that manufacturers and dealers are making towards the Road to 2035 and 100 percent ZEVs.

The Report Card was graded by the Canadian Automobile Dealers Association, the Canadian Vehicle Manufacturers' Association and Global Automakers of Canada, and is part of a larger initiative aimed at helping Canadians and political leaders understand what is need for the future.

The Report Card graded the federal government on the seven key policy changes laid out in the auto sector website [Roadto2035.ca](https://www.Roadto2035.ca):

ROAD TO 2035 DESTINATION: ZERO EMISSIONS		REPORT CARD
Subject	Comments	Grade
1. Triple consumer incentives	No increase in the incentive amount. Commitment to fund iZEV until 2025.	C-
2. Expand iZEV eligibility	Commitment to revisit parameters of iZEV. Details required.	B-
3. Commit to regulatory alignment with the United States	Decoupling Canada from integrated North American automotive market with misaligned sales targets and ZEV mandate.	F
4. Commit to building 4 million public chargers to support 40 million ZEVs (1 public charger per 10 ZEVs on the road)	No change to ZEV charger targets (50,000)	C-
5. Commit to building street charging infrastructure in urban centres	New funding (\$500m) for large scale urban & commercial ZEV charging infrastructure via CIB	B
6. Commit to building hydrogen fuelling infrastructure for Fuel Cell Vehicles	No new commitments to hydrogen fuelling infrastructure.	F
7. Eliminate the luxury tax for ZEVs	Budget assumes no change to Luxury Tax	F

“The transition to 100 percent ZEVs is a massive societal transition and government needs to take this more seriously. Putting in mandated targets without policy support will end in expensive failure for consumers, the industry and Canadian society,” stated Tim Reuss, President & CEO of the Canadian Automobile Dealers Association.

“The federal government needs to keep pace with the automotive industry in the transition to electrification. We had hoped the federal budget would outline a credible plan to achieve the ambitious zero-emission vehicle sales targets the government has set,” said Brian Kingston, President & CEO of the Canadian Vehicle Manufacturers’ Association. “A comprehensive, long-term plan is needed to connect the dots between Canada’s zero-emission vehicle adoption targets and the government supports required to help Canadians make the switch to electric.”

“The transformation to zero emission vehicles will rely not only on the industry, but on the government’s leadership on incentives - and especially infrastructure - to ensure consumers are willing to join us on this ride. Sales mandates without robust policy support will end in failure for Canadians. This is why a report card that encourages accountability is needed,” said David Adams, President & CEO of the Global Automakers of Canada.

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