May 26, 2025

The Right Honourable Mark Carney, P.C., M.P.
Prime Minister of Canada
80 Wellington Street
Ottawa, ON K1A 0A3

Dear Prime Minister Carney,

Canadian automotive manufacturers are committed to increasing electrified vehicle adoption with unprecedented investments into electrification. Since 2020, Ford, General Motors, Honda, Stellantis, and Toyota have announced tens of billions of dollars of new job-creating investments in Canada, strengthening the automotive sector and its supply chains. These investments are driving growth across communities in parts manufacturing, logistics, and technology development, reinforcing Canada's role in the global automotive industry.

Canadians now have access to over 100 different zero-emission vehicle (ZEV) models in every size and segment. According to Transport Canada's most recent assessment of ZEV availability, ZEV inventory levels are now meeting or exceeding consumer demand across Canada.

Despite these efforts ZEV sales have collapsed in recent months, falling to just 6.5% in March of 2025. This is in direct response to federal and provincial governments' weakening or eliminating purchase incentive programs that had been supporting demand.

Considering these developments, we are requesting the repeal of the federal zero-emission vehicle (ZEV) mandate known as the Electric Vehicle Availability Standard. There is no longer a pathway to achieving the government's mandated sales level of 20% in 2026.

Even with federal and provincial incentives in place, natural consumer demand, affordability challenges, limitations of ZEV technology across vehicle segments and use cases, infrastructure shortfalls, as well as slow adoption by commercial and government users make current targets unrealistic and unattainable. Jurisdictions around the world are reviewing and re-thinking ZEV mandates because the pace of consumer adoption and the commercial viability of the technology have fallen short of expectations.

If the mandate is not urgently repealed, it will inflict serious damage on automakers, the dealership network, and the hundreds of thousands of Canadians employed in the sector. Given the impending 20% requirement for 2026, the federal mandate is already forcing automakers to either limit internal combustion engine (ICE) and hybrid vehicle sales in Canada or purchase credits from automakers like Tesla that do not produce vehicles in Canada.

The result of this regulation is lower vehicles sales, higher vehicle prices for Canadians, and less jobs in the sector. This will undermine consumer affordability and choice at a time of rising costs, limited demand, and growing uncertainty about infrastructure readiness.

Existing greenhouse gas (GHG) regulations will naturally drive ever-increasing levels of electrification. These regulations will continue to require a proliferation of battery electric, hybrid, plug-in hybrid and extended range electric vehicle technologies. GHG regulations will support Canada's environmental goals while also helping Canadian consumers and business owners though the transition. Importantly, this approach provides greater flexibility and will allow automakers to continue making critical investments in ZEV technology and Canadian manufacturing.

The auto industry is already under enormous stress due to US tariffs. Now more than ever we must collectively protect this vital sector. Causing further avoidable harm would be irresponsible—jeopardizing Canadian jobs, investment, affordable access and choice for an essential transportation need, and the stability of our economy.

We appreciate consideration of this request and welcome an opportunity to discuss.

Sincerely,

Beverly Goodman President & CEO Ford Motor Company of Canada, Limited	Kristian Aquilina President and Managing Director General Motors Canada	Dave Jamieson President & CEO Honda Canada Inc.

Jeff Hines President-Canada Stellantis North America	Cyril Dimitris President & CEO Toyota Canada Inc.

cc: Hon. F-P Champagne, P.C., M.P. Minister of Finance
Hon. M. Joly, P.C., M.P., Minister of Industry
Hon. T. Hodgson, P.C., M.P., Minister of Energy and Natural Resources
Hon. C. Freeland, P.C., M.P., Minister of Transport and Internal Trade
Hon J. Dabrusin., P.C., M.P., Minister of Environment and Climate Change