



Ontario Auto Mayors



@automayors

Jan 19, 2018
Meeting



Agenda

Noon – 1 pm	Light Lunch provided in the Oakville Room (Town Hall)
1 pm	Greetings and Welcome – Bronte and Palermo Rooms
1:10 – 1:20	Auto Mayors – Protecting the Auto Sector Mayor Rob Burton, Chair Auto Mayors
1:20-1:45 pm	NAFTA Update & Status Report Flavio Volpe, President Automotive Parts Manufacturers' Association
	Break
2:00 – 2:30 pm	Drive to Win Ray Tanguay, Automotive Advisor to the Governments of Canada and Ontario
	Auto Mayors Roundtable – Q and A
2:50 – 3:00 pm	Next Steps and Action Items Mayor Rob Burton, Town of Oakville, Chair of Auto Mayors



Mayor Rob Burton, Town of Oakville, Chair of Auto Mayors

AUTO MAYORS: PROTECTING THE AUTO SECTOR



Flavio Volpe, President Automotive Parts Manufacturers' Association

NAFTA UPDATE & STATUS REPORT



Ray Tanguay, Automotive Advisor to the Governments of Canada and Ontario

DRIVE TO WIN

[LINK](#) TO FINAL REPORT



ONTARIO AUTO MAYORS MEETING

RAY TANGUAY

AUTOMOTIVE ADVISOR TO THE GOVERNMENT OF CANADA AND THE
GOVERNMENT OF ONTARIO

January 19, 2018



Canadian Automotive
Partnership Council

Conseil du Partenariat du
secteur canadien de l'automobile



Automotive Advisor

- Over two years as the Automotive Advisor, I have had ***extensive dialogue***, consultations, engagement, and collaboration with various stakeholders in Canada, Michigan, and other international jurisdictions
- We have made ***significant progress*** in raising Canada and Ontario's profile as a location of choice with automotive decision makers that emphasizes our strengths
- Automotive Advisor report for Ministers and CAPC highlights Canada's ***value proposition***, accounts for progress to date along with realities about Canada's competitiveness, and provides a ***framework for success*** and concrete actions
- CAPC leadership has been more engaged and has worked with all levels of government to provide feedback and guidance on key policies

Building Awareness and Understanding

(1 of 2)

Industry, Trade, and Labour Associations

- David Adams, President, Global Automakers of Canada
- David Worts, Executive Director, Japan Automobile Manufacturers Association (JAMA)
- Flavio Volpe, President, Automotive Parts Manufacturing Association (APMA)
- Jerry Dias, National President, Unifor
- John Manley, Chief Executive, Business Council of Canada (BCC)
- Mark Fisher, Chief Executive Officer, Council of the Great Lakes Region (CGLR)
- Mark Nantais, President, Canadian Vehicle Manufacturers' Association (CVMA)
- Ontario Automotive Communities Alliance (OACA)
- Paul Boothe, Managing Director, Trillium Network for Advanced Manufacturing
- Perrin Beatty, President, Canadian Chamber of Commerce (CCC)
- Richard Gauthier, President and Chief Executive Officer, Canadian Automobile Dealers' Association (CADA)

OEMs

- Dianne Craig, President and Chief Executive Officer, Ford Motor Company of Canada
- Fred Volf, President, Toyota Motors Manufacturing Canada
- JB Straubel, Chief Technical Officer, Tesla
- Jerry Chenkin, President and Chief Executive Officer, Honda Canada

- Reid Bigland, President and Chief Executive Officer, Fiat Chrysler Automobiles (FCA) Canada
- Shuichi Kaneko, President, Hino Motors Canada
- Stephen Carlisle, President and Managing Director, General Motors of Canada Ltd.
- Sylvain Allano, Chief Scientific Officer, PSA Peugeot

Parts Suppliers

- Bob Magee, Chairman of the Board, The Woodbridge Group
- Don Walker, Chief Executive Officer, Magna International Inc.
- Linda Hasenfratz, Chief Executive Officer, Linamar Corporation
- Rob Wildeboer, Executive Chairman, Martinrea International Inc.
- Sean Donnelly, President and Chief Executive Officer, ArcelorMittal Dofasco

Technology Firms

- Bob Moran, Chief Executive Officer and President, Weather Telematics
- Catherine Carroll, President, Sober Steering
- ClearPath Robotics
- Dan Bergeron, President, SigmaPoint Technologies Inc.
- F-Tech/Dynamig
- Grant Courville, Senior Director - Product Management, QNX
- Matt Stevens, Chief Executive Officer, CrossChasm Technologies
- Nathan Shaeff, Chief Executive Officer, Sciometric Instruments

Building Awareness and Understanding

(2 of 2)

Presentations

- “Future of Canadian Manufacturing : Attracting Global Mandates”, Ivey Tangerine Leadership Centre
- 2016 TalkAUTO (JD Power)
- Auto Mayors (April 2016)
- AutoConnect Conference (Nashville, TN) Keynote Address: Ready to Compete
- Automotive Parts Manufacturing Association Annual Conference
- Automotive Policy Research Centre Advisory Group
- AutoTech Symposium
- Canadian Association of Mold Makers (CAMM), Expo & AGM
- CAR Management Business Seminars: Automotive Communities Partnership Luncheon
- Council of Deans of Engineering and Applied Science
- Dennis Shea, President, FDI Forum – Area Development Conference
- Federal Steering Committee on Foreign Direct Investment (Deputy Ministers)
- Global Affairs Canada – Trade Commissioners
- Manufacturing Matters” – London Region Manufacturing Sector
- Monk School Presentation: Stakeholder Presentation
- Stratford Advisory Board Meeting
- Stratford Economic Enterprise Development Corporation Annual General Meeting
- Canada’s Technology Triangle 7th Annual International Reception
- Canadian Club of Toronto (Presentation by GM Stephen Carlisle: Innovation and the Future of the Auto Industry in Canada)
- Deloitte University North “Canada at the Crossroads: What’s Next?” Forum
- DM Investment Retreat Meeting with Paul Halucha
- McMaster Manufacturing Forum
- Ontario Global 100 (OG100)
- Pete Mateja Luncheon (Odette Business School – University of Windsor)
- Toronto Auto Show / AutoNews Canada Congress
- Waterloo Innovation Summit
- Windsor Essex Chamber of Commerce - Policy Solutions Forum

Industry Meetings / Events

- Automotive Parts Manufacturing Association Board Meeting and Conference

Academic / Research Facilities

- Accelerator Centre
- Automotive Policy Research Centre (APRC)
- Canadian Centre for Product Validation
- Communitech
- FIRST Robotics
- MaRS Discovery District
- National Research Council (NRC)
- Universities (including UOIT, McMaster, Michigan, Carleton, Montréal, Toronto, Windsor, Ryerson, and Waterloo)

Engaging Experts & Opinion Leaders

Advice to Governments

CAPC Engagement

International Engagement

Summary of Progress

Compete for assembly mandates with globally competitive investment support

- Announcement of the creation of the Strategic Innovation Fund (SIF) for multiple sectors with an expanded budget of \$1.26B

Improve transportation infrastructure and border policy

- 2017 federal budget addressed industry concerns by providing funds for:
 - electric vehicle charging and refueling stations
 - updating regulations and standards for connected and autonomous vehicles
 - a national trade corridors fund and Canada Infrastructure Bank
- Ontario committed to a 13-year, \$190 billion infrastructure investment program

Provide a one-stop support for investment attraction

- Ontario Strategic Investments Office
- Canada's announcement of investment hub – “concierge service”

Ease regulatory burden

- Ontario Red Tape Challenge has reduced the number of regulations however reporting has remained the same

Pursue a free and balanced trade agenda

- CETA and CKTA have been negotiated; extensive engagement on NAFTA negotiations

Reduce fully loaded costs of labour and align number of working days with competing jurisdictions

- 2016 collective bargaining made Canadian labour costs competitive with US (at par \$)
- Bill 148 to have potential negative impacts; automotive exemptions could alleviate some concerns

Invest in plants, machinery, and equipment

- All OEMs have made large investments in their Canadian facilities over the last two years

Invest in people

- Global Skills Strategy
- Premier's Specialist High Skills Major (SHSM) program; commitment to raise STEM graduates
- \$1.9B Post-Secondary Institutions Strategic Investment Fund

Invest in research and innovation

- Successful attraction of investments in R&D
- 2017 federal and provincial budget initiative to support and emphasize R&D, especially in artificial intelligence and 5G

Develop a clear and compelling narrative for Canadian investment

- Developed an automotive specific value proposition and marketing materials for research and manufacturing

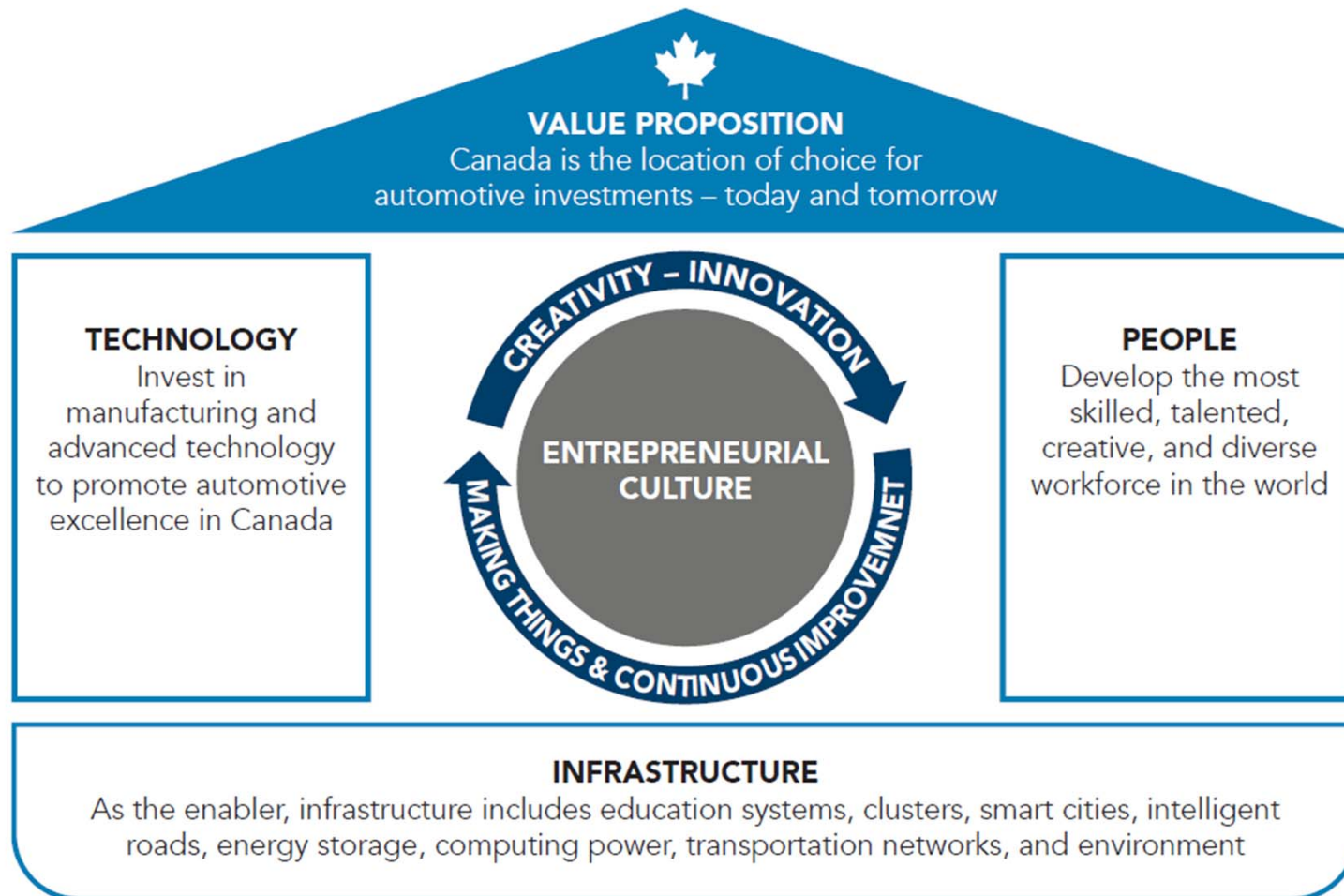
Vision and Mission – Canada

Vision: Be the location of choice for automotive manufacturing, services, and research by developing our people, their skills, and the technology to compete and to contribute to a prosperous Canada.

To propel Canada's automotive industry to the forefront, our actions must:

- ✓ Foster a culture of innovation, creativity, and continuous improvement
- ✓ Encourage investment in people to provide prosperity and quality of life for Canadians
- ✓ Leverage and attract talent to position Canada as a centre of excellence
- ✓ Support technologies that are key to advancing the automotive manufacturing and research sectors
- ✓ Address the operating environment factors to enhance competitiveness and growth
- ✓ Focus on branding Canada by raising our visibility and showcasing new technologies in key markets

Framework for Future Success (1 of 5)



Framework for Future Success (2 of 5)

PILLAR 1: TECHNOLOGY

Use technology roadmap to align government policies and industry direction

- Understand our position versus competing jurisdictions
- Invest in disruptive technologies that give Canada a competitive advantage
- Test new technologies by leveraging adoption in public transit
- Remain committed to making manufacturing relevant and competitive in Canada

PILLAR 2: PEOPLE DEVELOPMENT

Develop talent map, including current gaps and future needs

- Conduct a detailed analysis and assessment of our gaps and develop the talent map using internal and external consultants/experts
- Train the existing workforce and the unemployed that do not meet current requirements
- Develop our youth to fill the gaps and future needs
- Make co-op education as a standard for our engineers and technologists, allowing them to graduate with experience and less financial debt
- Develop a retention strategy for scientists and PhD candidates to ensure we have the talent needed to develop the new and emerging technology

Framework for Future Success (3 of 5)

INFRASTRUCTURE

- Develop an “Urban Transit Model” to integrate multi-mode of transportation to provide better service at a lower cost, to reduce emissions, congestion and travel time
- Benchmark and collaborate with other industries and countries to learn best practices with respect to infrastructure. As an example, collaborate with Michigan to develop and implement smart highways and border crossings
- Develop and deploy advanced communications technology to support connected vehicles, building on Canada’s existing strengths and reputation in this area such as 5G communications
- Provide national and regional test facilities to validate the development and implementation of emerging technologies and to perform the testing here in Canada

Framework for Future Success (4 of 5)

VALUE PROPOSITION

11 factors that site selectors evaluate to consider a jurisdiction for investment in manufacturing.

Key Metric	Select Considerations for Canada
Cost Comparison	Ontario has clean energy but higher electricity costs than other jurisdictions With the current exchange rate we have by comparison average labour costs, lower healthcare costs, but more paid days off
Quality of Workforce	Canada has a highly educated and skilled workforce and it shows in our quality performance
Availability of Workforce	Even though we have some labour shortages, by comparison with other jurisdictions, we have a good pool of skilled and educated workers
Incentives	Incentive packages have improved and are considered to be competitive when compared to competing jurisdictions
Environment	Ontario's Cap and Trade program and multiple regulatory reporting creates restrictions for business
Access to Market	Highly integrated US/Ontario cluster; NAFTA concerns expressed by the United States is creating uncertainty
Workplace Environment	Right-to-Work states versus Ontario Bill 148; Ontario labour regulations are more restrictive for business to manage
Ease of Doing Business for Investors	Recognizing that Canada's multi-level government can be difficult to navigate, investment offices are being implemented to provide single window concierge service; there is a sense of urgency in their implementation
Corporate Tax	Canada's rate must stay lower than that of the United States
Infrastructure	Services and logistics are reliable in Canada and the Gordie Howe International Bridge should help the flow of traffic between Canada and the United States; road congestion, especially in the big cities, needs to be addressed
Innovation	Government has number of effective measures to support emerging technologies, talent, and commercialization

Framework for Future Success (5 of 5)

In the end, it's all about selling our **VALUE PROPOSITION** to the world.

In summary, there are three key focus areas:

1. Remain competitive in manufacturing

- a. Promote productivity improvements
- b. Reduce local processing costs
- c. Accelerate the implementation of Industry 4.0

2. Invest in advanced technologies and infrastructure

- a. Develop and implement an urban transit model
- b. Implement smart highways
- c. Provide national testing facilities to validate new technologies

3. Continue to develop our talent pool at all levels

- a. Incentivize training in the workplace
- b. Expand apprenticeships and co-operative education
- c. Develop technology clusters with local investors



Mayor Burton

MODERATED Q AND A



Mayor Rob Burton, Town of Oakville, Chair of Auto Mayors

NEXT STEPS AND ACTION ITEMS



FURTHER INFORMATION



Three Key Messages for Auto Mayors

1. The automotive industry is important to our communities.
2. We need to act now to improve our competitive position.
3. If we don't act, we risk losing existing and future investment and jobs.



In Attendance

Mayor	Community	Mayor	Community
Mayor Rob Burton Chair, Auto Mayors	Town of Oakville	Mayor Joanne Vanderheyden	Municipality of Strathroy-Caradoc
John Oliver Chair National Auto Caucus	MPP, Oakville	Mayor Trevor Birtch	City of Woodstock
Mayor Ted Comiskey	Town of Ingersoll	Mayor Stephen Molnar	Town of Tilsonburg
Mayor Dan Mathieson	City of Stratford	Mayor Sandra Cooper	Town of Collingwood
Mayor Frank Scarpitti	City of Markham		