

NEWS RELEASE

Air Lab, Inc. Urges Ottawa to Address Chinese Electric Vehicle Threat Through Innovation, Not Stringent Regulation

TORONTO, August 8, 2024 – If Ottawa is to address China’s unfair electric vehicle (EV) trade practices, Canada’s net zero initiatives need to temporarily step outside current EV mandates and embrace alternate decarbonization technologies responsive to market signals, says **Air Lab, Inc.** (“Air Lab”) in a submission shared with the federal government on August 1.

In its submission to the Department of Finance’s 30-day EV consultation on China’s EV imports, the Toronto-based automotive decarbonization technology company argues that tariffs can’t be the preferred means for protecting the domestic auto sector and its supply chains over the medium to long-term. Air Lab acknowledges temporary tariffs may be a short-term band-aid solution.

“The only economically viable, long-term strategy for protecting Canada’s auto sector and supply chains is through the creation of a policy framework and on-the-ground conditions by which Canada can outcompete Chinese EV makers through technological superiority,” said **Michael Nitefor**, President and CEO, Air Lab, Inc.

Air Lab’s recent submission argues the Canadian auto sector and its supply chains could collapse due to U.S. and other offshore auto manufacturers cutting or ceasing vehicle and battery production in Canada due to falling EV demand and other protectionist policies. Air Lab’s policy submission suggests that if this materializes, it will lead to the loss of thousands of good paying Canadian jobs.

“Automotive culture and technology always respond to market needs, not to central planning that has placed Canada’s auto sector in its current precarious position,” Nitefor said.

Solution:

Air Lab argues China’s unfair EV trade practices can be resolved by a federal government approach that supports the production and sales of technologically innovative, domestic-made hybrids as a transitional step toward eventual adoption of Canadian-made EVs as technologies become optimized, prices drop and fueling infrastructure grows.

Air Lab’s hybrid, gas-pneumatic powertrain technology offers an efficient, economical and feasible fossil fuel-based vehicular decarbonization solution responsive to current market needs while delivering superior carbon pollution reduction. The company’s cutting-edge powertrain technology has been endorsed through research published in prestigious peer-reviewed international journals.

Recommendations:

In response to Ottawa’s 30-day EV consultation, Air Lab recommends:

- The federal government pivot its policy response from one focused on stringent regulation to one that fosters superior technological solutions to outcompete China on EV imports; and
- Fund new market-friendly solutions, including a \$126 million investment in Air Lab’s hybrid gas pneumatic powertrain market readiness project aimed at protecting and growing the auto sector and its supply chains across Canada.

“Ottawa’s China-based EV challenge cannot be solved within the context of existing programs or mindsets: only superior technology will resolve outstanding EV issues,” said Nitefor.

“China can and must be beaten back with a better and cheaper made-in-Canada decarbonization solution made possible by made-in Canada technology. Air Lab’s cutting-edge powertrain technology is the solution Ottawa should support if it’s to forge ahead with a win-win scenario for industry and consumers.”

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About Air Lab, Inc.

Air Lab, Inc. (“Air Lab”) is a Toronto-based automotive decarbonization technology company led by founder and CEO, Michael Nitefor. Air Lab’s mission is to deliver a technical alternative to pure electric and hybrid gas-electric powertrains targeting domestic and global Tier 1 vehicle manufactures. The company’s hybrid gas-pneumatic powertrain technology offers an efficient, economical and viable fossil fuel-based vehicular decarbonization solution responsive to current market needs. Air Lab is currently engaged in a research partnership with Ontario Tech University; its innovative technology has been endorsed through research published in prestigious peer-reviewed international journals.

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