



October 19, 2018

Members of the Standing Committee on International Trade
House of Commons

RE: Impact of Tariffs on Canadian Business, Companies and Workers

I am writing to you on behalf of the Canadian Construction Association (CCA) and our 20,000 member companies across the country. We thank the federal government and the members of your committee for your continued commitment to infrastructure investment across the country and for recognizing the vital role of the construction industry in building Canada's future.

CCA has been understanding of the measures taken to date by the Government of Canada to support the industry in response to unfair steel and aluminum tariff impositions by the United States. Together we can make Canada one of the best country's to invest in where major infrastructure projects are at the center of our economy.

However, our industry is deeply concerned about the government's decision to impose steel and aluminum safeguards. The construction industry depends heavily on steel and aluminum products to build Canada's vital infrastructure, and such measures could have a negative impact on the completion of many important projects. With Phase II funding of the \$180 billion in infrastructure spending being released and the Infrastructure Bank seeking to attract new investment to Canada, the imposition of such safeguards would undermine these important and necessary initiatives.

The industry believes that steel and aluminum safeguards will add additional hardship to this sector which is already facing major challenges including a shortage of skilled workers, increased risks around environmentally sensitive projects, new requirements for community benefits above and beyond the project itself and the uncertainty from the trade disputes.

We strongly believe that global safeguards of construction steel will reduce supply and further increase prices which will limit the impact of the \$180B and jeopardize major projects in Canada.

We had also asked the Government for support to the industry in the form of:

- Accelerated depreciation of members' equipment. This measure would allow companies to more quickly recover the cost of their investment in equipment.
- For all federal PSPC and infrastructure program contracts, a mechanism to protect contractors against price fluctuations due to steel and aluminum tariffs.

- A research and development fund allocated to the Canadian construction industry. In the last budget, the government centralized all its innovation programs, but it would be appropriate for the government to reserve a part of this money to the construction industry to improve its productivity and competitiveness.

We recommend that the committee ask the government to support the 1.4 million workers in the construction industry by implementing these requests and that the Government stop applying these safeguards to let the industry build the new infrastructure that Canada needs.



Mary Van Buren
President