

June 12, 2018

Via email: fin.tariff-tarif.fin@canada.ca

International Trade Policy Division (U.S. 232 Retaliation Consultations),
Department of Finance,
James Michael Flaherty Building, 14th Floor,
90 Elgin Street,
Ottawa, Ontario K1A 0G5

RE: Canadian Countermeasures against the United States in response to tariffs on Canadian steel and aluminum products

The United Steelworkers (USW) represents 225,000 workers across Canada. We are the primary union in both the steel and aluminum sectors in Canada, representing tens of thousands of members in both the basic steel and the aluminum sectors.

Our Union's International President, Leo Gerard, together with myself and our Canadian Directors, have all spoken with one voice in opposing the tariffs imposed on Canadian steel and aluminum by the United States on June 1st. We strongly believe that Canada should be exempt from any steel and aluminum tariffs, and the new tariffs will hurt workers on both sides of the border.

On May 31st, the United Steelworkers International Executive Board, consisting of the elected directors of our Union from across North America, passed a unanimous resolution stating as follows:

“The decision to remove Canada’s exemption from Section 232 tariffs on steel and aluminum products is simply unacceptable and calls into serious question the design and direction of the Administration’s trade policy. Section 232 relief is founded on national security interests and our law, and our history, shows that there is no stronger ally and partner on national security than Canada. The decision not to exempt Canada also ignores the fact that Canada’s steel and aluminum exports to the U.S. are also fairly traded and that Canada has shown its willingness to strengthen its laws as well as its cooperation with the U.S. to fight unfair trade.”

Our Union has taken this message to the White House and to the public in the United States and Canada.

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union
Syndicat international des travailleurs unis de la métallurgie, du papier et de la foresterie, du caoutchou,
de la fabrication de l'énergie, des services et industries connexes

We appreciate the opportunity to comment on the Federal Government's countermeasures against the United States in response to the U.S. tariffs on steel and aluminum.

1. THE USW SUPPORTS THE COUNTERMEASURES AND OPPOSES ANY EXEMPTIONS

The USW supports the proposed countermeasures announced by the Federal Government on June 1st. We believe the measures are proportional and will effectively send the message that the U.S. tariffs will not ultimately benefit workers or communities on either side of the border. We are concerned that some producers may have proposed exemptions for certain products that are on the list contained in the Government's announcement on June 1st. We would strongly encourage the Government to reject any requests for exemptions to the list of goods contained in the Government's announced countermeasures.

In order for the countermeasures to be effective, they must be comprehensive. Granting exemptions will make the measures less effective and will not send the message to the U.S. administration that the aluminum and steel tariffs imposed by the U.S. should be removed as soon as possible.

2. THE COUNTERMEASURES SHOULD BE IMPOSED AS SOON AS POSSIBLE

Our Union joins with many of the country's steel producers in expressing concern that the countermeasures should be implemented as soon as possible. The one-month delay in the imposition of the countermeasures is already harming Canada's economy, as certain customers may be making decisions during these weeks that will disadvantage Canadian producers. We would urge the Government to implement the countermeasures as soon as possible after the conclusion of the consultation period.





3. CANADIAN STEEL AND ALUMINUM WORKERS NEED FURTHER SUPPORTS

We welcome the Government's introduction of regulations over the last number of months to make Canada's trade remedy system more rigorous, open and transparent. The changes to implement anti-circumvention investigations, scope proceedings and to provide greater flexibility to address price distortions are all long-awaited improvements. We also welcome the announcement on May 30th to bolster the country-of-origin marking regime in order to further prevent transshipment.

But we submit that more must be done to protect Canada's steel and aluminum workers and communities in this new and challenging environment.

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First, Canada's steelworkers need support similar to what was afforded to Quebec's aluminum workers and Canada's forestry workers. The government of Quebec has offered \$100 million in loan guarantees to support the aluminum industry based in that Province. Canadian *steel* communities are already hurting, and they need an assistance package to assist steelworkers and their communities who are faced with temporary layoffs as a result of these tariffs.

Second, Canada's exposure to offshore diversion as a result of the U.S. tariffs is severe. Of great concern for Canadian workers is that U.S. tariffs will amplify Canada's exposure to unfair imports originating offshore. If the world's dumped and subsidized steel and aluminum cannot find a home in the United States, it will surely find its way into the Canadian market.

Canada must immediately take steps to protect Canadian steel and aluminum imports from the diversion of cheap imports from the U.S. into Canada. The Canadian government must be prepared to utilize existing policy tools, including targeted government-initiated WTO compatible safeguard actions and government-initiated trade cases to preserve the stability of the Canadian market and prevent a surge of steel and aluminum imports into Canada.

Our Union has a long history of supporting fair and reciprocal trade between the U.S. and Canada. We are dismayed at the actions of the U.S. administration and we will continue to do everything in our power to persuade the U.S. government to reverse course and remove the tariffs imposed on June 1st. We will also work to prevent the further imposition of tariffs by the U.S. that will harm industrial workers across North America.

Yours sincerely,



Ken Neumann
National Director for Canada

KN/slq

c.c.: Leo Gerard, USW International President
Steve Hunt, District 3 Director
Alain Croteau, District 5 Director
Marty Warren, District 6 Director

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