CANADA UNITED STATES
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CANADA–CALIFORNIA STEEL & ALUMINUM TRADE: FAIR & SECURE

Canada should have a permanent exemption for U.S. steel and aluminum tariffs.

Our industries are integrated and we are partners in defense. We are pursuing dollar for dollar countermeasures totaling $16.6 billion CAD. Here is what this means for California:

$514 MILLION OF CALIFORNIA'S EXPORTS TO CANADA ARE FACING A 10% COUNTERMEASURE, INCLUDING:

- Condiments, salad dressing, tomato sauce & soy sauce (HS210390, 210320, 21310)..... $96 million
- Bread, pastries, cakes, biscuits, other baked products & puddings (HS190590)..... $84 million
- Upholstered: chairs of teak; chairs for children, including high chairs (HS940161)..... $43 million
- Waters: mineral & sparkling & carbonated soft drinks (HS220210)..... $27 million
- Pillows, cushions, comforters, mattresses, sleeping bags & similar items (HS940490, 940421, 940429-30)..... $26 million
- Confections, candied nuts, cough drops, maple syrup/sugar (HS170490, 170220)..... $24 million
- Marine vessels: motorboats, sailboats, & inflatable boats (HS89032, 890399, 890391, 890310)..... $23 million
- Hair, skin, or nail: preparations, lacquers, & perfumes/deodorants (HS330430, 330530, 330749, 330710)..... $17 million
- Tableware, kitchenware & other household articles (HS392410, 392490)..... $16 million
- Organic surface-active products & preparations for washing skin, liquid or cream form (HS340130)..... $14 million
- Soups, broths & materials for their preparation (HS210410)..... $13 million
- Articles of aluminum including – ladders, venetian blinds, castings, forgings, articles of wire (HS761699)..... $10 million
- Aluminum casks, drums, cans, boxes, reservoirs & similar containers (HS761290, 761300, 761100)..... $10 million
- Aluminum alloys & non-alloys (HS760429, 760421, 760410)..... $9 million
- Sheet-metal roofing, siding, flooring, roof guttering & drainage equipment (HS761090)..... $8 million

$48 MILLION OF CALIFORNIA'S STEEL EXPORTS TO CANADA ARE FACING A 25% COUNTERMEASURE, INCLUDING:

- Blooms, billets & slabs, semi-finished: of rectangular cross section (HS720712)..... $19 million
- Mechanical tubing & other products: for use in boilers, heaters, furnaces (HS730451)..... $4 million
- Cold-rolled sheet & other products: ≥ 0.5 mm and < 1 mm thick (HS720917)..... $2 million
- High-strength steel: flat-rolled & hot-dipped products (HS721049)..... $1 million
- Circular cross-section for pipes & tubes of stainless steel (HS730640)..... $1 million
- Iron or non-alloy steel pipe: welded, circular cross-section (HS730630)..... $1 million
- Structural pipes & tubes: square or rectangular cross section (HS730661)..... $1 million
- Angles, shapes & sections: hot-rolled, hot-drawn, extruded and cold-formed/finished (HS722870, 721650)..... $1 million
- Bars & rods: hot-rolled, circular cross section (HS721399)..... $1 million
- Flat-rolled products: hot-dipped, plated or coated with zinc (HS721230)..... $1 million

Unless noted, all figures are in US dollars

"Americans remain our partners, friends, and allies. This is not about the American people. We have to believe that at some point their common sense will prevail."

—Canadian Prime Minister Justin Trudeau

U.S. SECTION 232 STEEL & ALUMINUM TARIFFS: UNWARRANTED & UNJUSTIFIED

Canada buys more than half of U.S. steel exports and our industries are closely integrated. However, for the first time in nearly fifteen years, the U.S. **ran a steel trade deficit** with Canada of almost one billion dollars in 2018 — including a $500 million decline in U.S. exports — following the imposition of Section 232 tariffs. These tariffs on steel and aluminum are disrupting long-standing supply chains, costing jobs in both countries, and preventing additional economic growth. The solution is clear: **Canada should have an immediate and permanent exemption.**

TARIFFS HURT THE U.S. ECONOMY

In 2018, Canada–U.S. trade in steel mill products amounted to over $10 billion and trade in aluminum products was nearly $9 billion. Our steel and aluminum industries are deeply connected with significant cross-border operations. Many U.S. firms rely on Canadian iron, steel, and aluminum imports as raw materials or components of finished products in the automotive, construction, energy, aerospace, defense and agri-food sectors. The tariffs are having a direct impact on these industries. Businesses are delaying investment decisions and are increasingly sourcing downstream products from suppliers outside North America who are not subject to the tariffs. Consumers are also paying more as profit margins shrink and many everyday products are subject to retaliatory tariffs. A Trade Partnerships study found the tariffs and global countermeasures may cost over 400,000 U.S. jobs and decrease GDP by almost $37 billion.

"From day one, I have made clear that the only country which deserved to be exempted on a factual and policy basis was Canada … Canada has a unique supply relationship to meet our defense procurement needs."

—Leo Gerard, President, United Steelworkers International

WE ARE PARTNERS IN DEFENSE

The Canadian Armed Forces fought with the U.S. in World Wars I and II and are partners in today's war on terror. Together, we have an exceptional integrated binational force at the North American Aerospace Command (NORAD), which celebrated its 60th anniversary in 2018. Canada is recognized as a security partner in U.S. law as part of the U.S. National Technology and Industrial Base, and has long been considered a highly reliable supplier of aluminum, in particular to the U.S. defense industry.

WE ARE NATURAL ALLIES

Most U.S. and Canadian steel and aluminum workers share the same union and the same concerns about global trade. We strongly enforce similar anti-dumping and countervailing duties against a range of imports, particularly against non-market players. Our customs officers review 100% of the goods that are subject to these duties, and more generally Canada has one of the toughest enforcement regimes in the world. We also have an identical country of origin marking regime for steel and aluminum, rendering fraudulent transshipment impossible. We recently introduced enhanced import monitoring systems and investigate foreign exporters trying to circumvent or avoid duties. Put simply, Canada is not a "back door" for steel and aluminum imports in the U.S. from other countries. We are on the front lines with the U.S. to protect workers on both sides of the border.