

OPPOSITION TO BUY AMERICA PROVISIONS IN STIMULUS BILLS

I. CISC - WHO ARE WE? The Canadian Institute of Steel Construction (CISC) is the industry organization representing the fabricated structural steel, open web steel joist and steel platework industries in Canada.

II. WHAT DISTINGUISHES THE CANADIAN STEEL FABRICATION INDUSTRY FROM MANY OTHER INDUSTRIES? CISC members create jobs for U.S. steel workers. CISC members purchase most of the steel beams and plate used in their products from the United States. For example, CISC estimates that the total structural steel purchased from U.S. steel mills, such as Nucor and Chaparral Steel, was over \$660 million in 2008.

III. WHY IS CANADA IMPORTANT TO THE UNITED STATES? Canada and the United States are the world's largest trading partners. Over \$1 billion worth of goods and services flow back and forth across our borders each day. In addition, Canadians and Americans share the closest energy relationship in the world. Canada is the United States' largest supplier of oil, natural gas, electricity and uranium. Pursuant to NAFTA, Canada provides the U.S. with its most secure sources of energy. Finally, energy infrastructure -- including oil and gas pipeline networks and electricity grids -- is tightly integrated. It would run counter to this close trading and energy relationship for the U.S. to put up additional barriers to Canadian goods and services.

IV. WHAT DO WE WANT? THE STATUS QUO. CISC only asks for the status quo concerning Buy America and Buy American provisions. As currently written, both the House and the Senate bills go significantly further than current Buy America restrictions on Canadian goods because they will dramatically expand the projects that are subject to Buy America restrictions. Although CISC does not expect any additional preferential treatment in the stimulus bill, CISC does not want access to the U.S. market further restricted. What does CISC mean by maintaining the status quo?

A. Projects That Typically Would Fall Under Surface Transportation Act: No changes. Under current Buy America provisions, Canadian suppliers have been prohibited from participating in these types of projects. CISC is not requesting any changes in this regard.

B. Federal Government Procurement: No change. Procurement by the Federal Government is governed by the Buy American Act, which in most cases treats Canada as being domestic because Canada is a member of NAFTA. For Federal Government Procurement under the stimulus bill, Canada should be treated as being domestic as it is under the Buy American Act.

C. Other Projects: No change. Outside of the Surface Transportation Assistance Act and Federal Government Procurement, Canada typically does not face Buy America-types of restrictions on any other types of projects. Accordingly, other than Federal Government Procurement and projects that would typically fall under the Surface Highway Transportation Act, there should be no additional Buy America restrictions for projects contained in the stimulus bill.

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