



Canadian Chamber Message Re: "Buy American" Provisions

Released to Lloydminster Chamber June 4, 2009



Dear Chamber Member:

As concerns over the management of the Canada-U.S. border and the "Buy American" provisions in the U.S. stimulus package continue to grow, I want to report on the Canadian Chamber's activities and suggest some steps we can take together to promote an open border.

On Tuesday, Shirley-Ann George, our Senior Vice-President, Policy, joined other businesspeople in meeting U.S. Secretary of Homeland Security Janet Napolitano. The discussion included the need to ensure a secure and border with predictable and short wait times, especially for trusted goods and people. They also talked about plans for next week's rollout of the *Western Hemisphere Travel Initiative*.

In advance of the new WHTI requirements coming into force on June 1, both CNN and *The Economist* carried interviews with the Canadian Chamber in which we stressed the need for close cooperation to keep the border open.

We will continue to work with the Canadian and U.S. governments and other associations to resist the thickening of the border. We are currently updating our February 2008 border report on which we partnered with the U.S. Chamber of Commerce and more than 40 other Canadian and U.S. associations. This new report will be released in July.

Another major concern for Canadian business is the "Buy American" provisions in the U.S. stimulus package. These damaging measures are contrary to the G20 commitment to not raise trade and investment barriers. They prevent Canadian companies from bidding on many state and municipal government projects in the United States, while driving up costs and limiting choices for American taxpayers.

Canadian companies are not enjoying the same market access opportunities in the United States that they once did. When the "Buy American" provisions appeared out of Congress,

the Canadian Chamber urged our members to contact their business partners in the United States to ask them to work against these protectionist measures. The initial legislation was amended to prevent discrimination at the federal level, but Canadian companies do not have the same protection for state and local contracts, including ones where they could bid in the past.

Last week our sister organization, the U.S. Chamber of Commerce, called on the U.S. administration to ease the “Buy American” guidelines on state and municipal governments. However, the threat continues to grow. Compounding the damage from the U.S. stimulus bill, similar provisions are being inserted into other pieces of legislation before Congress.

Here in Canada, we are seeing a disturbing number of retaliatory measures being considered. Both countries will be harmed by a downward spiral of new protectionist policies, especially considering the high percentage of products that have extensive content from the other country.

It’s important that we act now in two concrete ways. First, we urge all chamber members to speak with suppliers, customers and associations on the U.S. side to restate that the “Buy American” provisions should not be aimed at Canada and that they should not be included in any new legislation. These types of measures will harm U.S. companies, U.S. employees and U.S. taxpayers.

Second, we ask that you urge your provincial or territorial and municipal governments to support action by the the federal government to find a measure that provides immediate relief for Canadian businesses, such as a bilateral agreement that ensures projects with federal funding give access to both countries or mutual recognition through the *WTO Agreement on Government Procurement*. For the longer term, we need governments at all levels in both countries to support a bilateral government procurement agreement.

For our part, the Canadian Chamber will write the federal, provincial and territorial governments jointly with other business organizations in support of this position.

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