

Minister of Finance



Ministre des Finances

Ottawa, Canada K1A 0G5

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Mr. Chris Gardner
President
Independent Contractors and Businesses Association of BC
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Ms. Fiona Famulak
President
Vancouver Regional Construction Association
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Ms. Anne McMullin
President and CEO
Urban Development Institute
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Dear Mr. Gardner and Meses. Famulak and McMullin:

Thank you for your correspondence of November 7, 2018 regarding the potential impact of provisional safeguards on the British Columbia construction market. Please excuse the delay in replying.

On October 11, 2018, our Government announced the imposition of provisional safeguards on seven steel product categories effective October 25, 2018. These provisional safeguards are in place for 200 days and respond to evidence available to the Government of Canada, and informed by consultations, that an increase in imports of certain steel products cause, or threaten to cause, serious injury to Canadian steel producers and workers.

I appreciate that provisional safeguards may have an impact on Canadian businesses, communities and workers, including those in the British Columbia construction sector. That is why the provisional safeguards have been established in a manner intended to stabilize the market from the impact of excessive steel imports and minimize trade disruptions. Specifically, the provisional safeguards take the form of tariff-rate quotas that allow imports in line with historical trade patterns to enter without incurring surtaxes. Only imports that exceed historical trade volumes will be subject to a 25-percent surtax.

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Nevertheless, our Government has heard concerns raised by stakeholders regarding the potential impact of the provisional safeguards. In response, on December 19, 2018, we announced the remission of surtaxes on steel imports that were in transit before the provisional safeguards entered into force on October 25, 2018. The remission of surtaxes for in-transit goods responds directly to the most urgent concerns raised by stakeholders while maintaining the broad objectives of the provisional safeguards.

The Canadian International Trade Tribunal (CITT) is currently inquiring into whether longer-term final safeguards are warranted and, if so, will recommend appropriate remedies. The CITT is expected to report its findings and recommendations to the Government by April 3, 2019. Our Government's approach to final safeguards will be informed by the CITT's findings and recommendations. In considering the imposition of final safeguards, we will be mindful of downstream impacts that safeguards may have on businesses located in British Columbia.

Thank you for writing.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Bill Morneau", followed by a period.

The Honourable Bill Morneau, P.C., M.P.