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In Canada, the United Steelworkers represents 225,000 active members. We are the primary union in the steel and aluminum sectors, representing tens of thousands of members in those sectors across the country.

Steelworkers strongly oppose the May 31st Presidential Proclamation to extend Section 232 tariffs of 25% on steel and 10% on aluminum to Canada. Our international board responded **immediately and unanimously** to condemn this decision, noting the absurdity of labelling Canada a security threat. We maintain that Canada and the US must work jointly to remedy the real problem of steel and aluminum dumping, for which Canada is not to blame.

Absent a quick cancellation of the Section 232 tariffs, Canada must provide **immediate** worker and industry supports for those affected. We must also strengthen our ability to remedy predatory and unfair trade practices as well as use domestic policy measures to ensure the long-term health of the Canadian steel and aluminum industries.

The Canadian steel and aluminum industries ship about \$16 billion worth of products to the United States every year. 90% of both steel and aluminum go exports to the United States and two-thirds of total aluminum revenue comes from U.S. exports. At least 22,000 people in Canada are directly employed in the steel industry in Canada, with another 100,000 indirectly employed. The aluminum industry employs 15,300 workers directly with another 41,000 indirectly.

Steel industry expert Peter Warrian has estimated that 45% of the steel industry will face immediate and direct impact. Steel is typically ordered on a six-week cycle, so we will likely see the impact of the tariffs very soon. For product that has already been ordered, the question becomes “who will pay the tariffs when it arrives at the border?” We do not know how long these tariffs might be in place, but the longer-term effects could even greater if we do not act to lessen the impact. Demand for raw material, including iron ore or metallurgical coal could diminish – USW represents several thousand workers in those industries. US manufacturing facilities are simply not prepared to quickly pick up the demand for steel and aluminum so again, the question becomes who pays the tariffs? How are those costs transmitted to other producers or consumers?

We also note that the tariffs will have outsized impacts on certain communities that are particularly dependent on steel and aluminum, such as Hamilton, Ontario or Alma, Quebec.

It's apparent that these tariffs will have a huge impact on the livelihoods of many workers in Canada and on the entire Canadian economy. We note that the US also exports large amounts

of Canadian steel and aluminum. In 2017, close to 50% of all US steel exports were to Canada. **USW believes that these tariffs will not only hurt Canadian workers, but also American workers.**

USW demands a swift and thorough response to mitigate the impact on these sectors.

First, we support the countermeasures announced by the Federal Government and believe they must be comprehensive and immediate. Exemptions should not be granted – this is particularly important to protect products that are made in Canada and to bolster the domestic market. Any revenue emanating from the counter-tariffs must go to the industries most affected by the Section 232 tariffs.

Beyond these initial countermeasures, the Government must introduce comprehensive supports to the steel and aluminum industries, *similar* to the worker supports for the softwood lumber industry as well as those recently introduced by the Quebec government in support of its aluminum industry.

USW believes that measures must be taken to **mitigate job loss as much as possible**. This includes **immediate supports to industry** in the form of loans or loan guarantees or expanding domestic market opportunities. We also advocate for worker supports through the Employment Insurance system and Employment and Social Development Canada. As with the package for softwood lumber workers provided, we believe that **work sharing** is essential to mitigate layoffs.

In cases where layoff cannot be prevented, USW believes that employment insurance rules must be amended to ensure proper support for affected workers. Elimination of differential hours of work rules, extension of benefits where necessary and, in cases where re-employment is not possible, we argue for severance packages for training and mobility.

Additionally, the Federal Government, provincial governments, unions and industry must work jointly to identify the impact of the tariffs, as well as to coordinate retraining and new employment efforts. This can be achieved through Labour Market Development Agreements and the Canada Job Fund, as two examples. Targeted community supports may also be necessary for areas that are highly dependent on the steel or aluminum employment.

Sectoral analysis, investment and use of domestically-manufactured materials through public procurement will all help ensure that real job opportunities emerge in the long-term. We welcome the creation of the Steel Trade Monitoring Committee and the Aluminum Trade Monitoring Committee, which can provide job assessments and impact of various policy measures and trade actions. Ultimately, retraining and relocation are not sufficient absent concrete opportunities for affected workers.

USW submits that the crux of the problem affecting North American steel and aluminum workers is cheap imports of products with distorted prices. For example, bad international actors, such as China, prop up their steel industry, overproducing products that glut the international market. This is exacerbated by the cheap labour and poor environmental regulations that, along with currency manipulations, artificially lower the price of steel. Along with the immediate response to the Sec. 232 tariff imposition on Canadian products, we must also address this fundamental threat to the domestic steel and aluminum industries.

We support recent measures to prevent offshore diversion from tariffs previously imposed on other countries, along with measures aimed at transshipment and trade circumvention. **These include stronger country-of-origin rules, amended scope proceeding and anti-circumvention investigation rules that allow for greater trade union involvement.** USW has always been a strong proponent of allowing trade unions to participate in and **initiate** trade complaints, as we have done for decades in the United States. This right to initiate should be granted under the Special Import Measures Act. **However, we note that it is ultimately the responsibly of the Canadian government to take the lead on protecting Canadian industry and workers.** USW asserts that we must also strengthen the ability of the Canada Border Services Agency to identify and stop dumped steel from glutting the Canadian market. Finally, we must also ensure that Canada maintains its ability to use domestic policy measures to react to price distortions that result from poor labour, human rights and environmental practices, including, but not limited to countervailing duties.

USW continues to believe in fair and reciprocal trade between the United States and Canada. We strongly denounce the US president's decision to extend section 232 tariffs to Canada – we believe this will unfairly hurt both Canadian and American workers and detract us from properly addressing the real threats to a strong and robust North American manufacturing industry.