



HOUSE OF COMMONS
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CANADA

“BUY AMERICA” PROCUREMENT POLICIES: AN INTERIM REPORT

**Report of the Special Committee on the Economic
Relationship between Canada and the United States**

Raj Saini, Chair

**JUNE 2021
43rd PARLIAMENT, 2nd SESSION**

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**Raj Saini
Chair**

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE SPECIAL COMMITTEE ON THE ECONOMIC RELATIONSHIP BETWEEN CANADA AND THE UNITED STATES

has the honour to present its

SECOND REPORT

Pursuant to the order of reference of Tuesday, February 16, 2021, the committee has studied the economic relationship between Canada and the United States and has agreed to report the following:

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LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That the Government of Canada continue its engagement with the Government of the United States regarding “Buy America” policies. Discussions should address these policies’ negative effects for both countries, including on supply chains and for jobs, and should focus on securing a full exemption for Canada from current and any future “Buy America” policies. 13

Recommendation 2

That the Government of Canada, if a full exemption for Canada from “Buy America” policies is not possible, prioritize that integrated supply chains be exempted and differentiated from imported or finished goods, and pursue an exemption for specific Canadian sectors. The Government should identify those sectors through timely consultations with relevant business, employee and other stakeholders..... 13

Recommendation 3

That the Government of Canada work closely with Canadian firms and organized labour groups to continue to facilitate discussions, with their U.S. counterparts and other Americans, that would raise awareness in the United States about the increased costs to state and municipal projects that would result from Canada not receiving an exemption from “Buy America” policies. As well, the Government should create a working group of representatives of firms, labour groups and other stakeholders from both countries that would provide Americans with information about – and emphasize – the importance of uninterrupted and resilient supply chains. 13

Recommendation 4

That the Government of Canada discuss, with the Government of the United States, the possibility of bilateral procurement strategies. If such strategies are developed, the countries should begin by focusing on products and sectors where they have immediate shared priorities. 13

Recommendation 5

That the Government of Canada work with the Government of the United States to develop a procurement strategy that would prioritize the purchase of goods having low-carbon emissions. This strategy should: potentially include carbon border tariffs; recognize the relatively low carbon emissions that result from Canadian production in such sectors as aluminum, steel and cement; and provide a competitive advantage to Canadian and American producers that have carbon emissions that are lower than producers in other countries. 14

Recommendation 6

That the Government of Canada closely monitor the possible approval and implementation of The American Jobs Plan announced by President Joe Biden in March 2021, and provide the House of Commons Special Committee on the Economic Relationship between Canada and the United States with written updates about the impacts of this plan and any associated “Buy America” policies. The Government should provide these updates on 31 July 2021 and on 31 August 2021..... 14



“BUY AMERICA” PROCUREMENT POLICIES: AN INTERIM REPORT

INTRODUCTION

Governments are large purchasers of goods and services, and they may use their purchasing power as a policy tool, including to support domestic suppliers and their workers, and thereby the economy. These support mechanisms can take various forms, including a prohibition on foreign bids for government contracts, domestic content quotas, and technical requirements that are possibly advantageous to domestic suppliers.

Although a number of trade agreements — including the World Trade Organization’s revised [Agreement on Government Procurement](#) (GPA) — have sought to open government procurement markets to foreign suppliers, governments in the United States (U.S.) and elsewhere continue to implement domestic preference policies.

The U.S. has a long history of government procurement policies that provide a preference to domestic suppliers, including “Buy America” and “Buy American” policies, and that limit foreign suppliers’ access to U.S procurement markets.¹ Consequently, governments, firms and labour groups in Canada have longstanding concerns about the effects of these policies on integrated North American supply chains and Canadian firms’ — and thereby workers’ — exclusion from U.S. economic opportunities. With potential changes to “Buy America” and “Buy American” policies expected because of President Joe Biden’s [Executive Order on Ensuring the Future Is Made in All of America by All of America’s Workers](#), issued in January 2021, and/or [The American Jobs Plan](#), announced in March 2021, concerns in Canada have recently increased.

On 16 February 2021, the House of Commons adopted a [motion](#) creating the Special Committee on the Economic Relationship between Canada and the United States (the Special Committee). Paragraph I of the motion instructs the Special Committee to:

present a second interim report, concerning current and proposed “Buy America” procurement rules, requirements and policies, together with

1 In some cases, witnesses appear to use the term “Buy American” in reference to “Buy America” or other United States (U.S.) domestic preference policies. In certain places, this report modifies such references for consistency.



recommendations to address and safeguard Canadian interests, no later than Thursday, June 17, 2021;

The Special Committee held five meetings between 1 April 2021 and 29 April 2021, during which 22 witnesses spoke about “Buy America” and other U.S. domestic preference policies. The Special Committee heard from the Minister of Small Business, Export Promotion and International Trade, the Minister of Foreign Affairs, Global Affairs Canada officials, firms, trade associations, organized labour groups, think tanks, academics, a civil society organization and an independent expert. As well, some witnesses — including Canada’s Ambassador to the U.S. and Global Affairs Canada officials — made comments about these policies during the Special Committee’s meetings that occurred before 1 April 2021.

This interim report summarizes the witnesses’ comments about “Buy America” and similar policies, and makes six recommendations to the Government of Canada. Witnesses’ views about other topics will be considered in the context of future Special Committee reports on the Canada–U.S. economic relationship. In particular, this interim report considers Canadian access to U.S. government procurement markets, implications of “Buy America” and similar policies for Canada and the U.S., and recent and possible future Government of Canada actions concerning these policies. It also provides the Special Committee’s conclusions and recommendations.

CANADIAN ACCESS TO U.S. GOVERNMENT PROCUREMENT MARKETS

In their appearance before the Special Committee, witnesses discussed “Buy America,” “Buy American” and similar domestic preference policies in the U.S., and commented on the possibility of expanded use of such policies.

“Buy America,” “Buy American” and Similar Policies

The [Canadian Centre for Policy Alternatives](#) described “Buy America” policies as “standard operating procedure” in the U.S., and — in recognizing “broad bipartisan support” for them — asserted that these policies are “here to stay.” According to [Canadian Manufacturers & Exporters](#), the premise that governments should spend taxpayers’ money on domestically produced goods makes “huge amounts of political and practical sense.”

That said, the [Minister of Small Business, Export Promotion and International Trade, Canada’s Ambassador to the U.S.](#) and Global Affairs Canada [officials](#) explained that the

GPA provides Canada with an exemption from domestic preference policies for U.S. federal government procurement, including under the *Buy American Act of 1933*. They also indicated that this exemption from “Buy American” policies does not extend to “Buy America” policies attached to U.S. federal programs that provide grants and loans to sub-federal entities — including to states and municipalities — because the U.S. does not include such programs in its commitments under the GPA. The [Canadian Centre for Policy Alternatives](#) asserted that “Buy America” policies mostly relate to U.S. federal transfers to the other levels of government for “transit and highway projects,” as well as for “water infrastructure,” and place quotas on the use of U.S. domestic iron, steel and manufactured goods.

In identifying other policies that limit Canadian firms’ access to U.S. government procurement markets, the [Canadian American Business Council](#) provided an example at the sub-federal level, noting a recently passed domestic preference procurement law in the State of New Jersey. Similarly, the University of Sherbrooke’s [Geneviève Dufour](#), who appeared as an individual, stated that U.S. federal policies that require contracts valued under US\$250,000 to be given to domestic small businesses can exclude Canadian firms.

Together, U.S. domestic preference policies concerning procurement create a situation that the [Canadian Chamber of Commerce](#) described as “hideously complex.” In this context, [Canadian Manufacturers & Exporters](#) cautioned against viewing Canadian firms’ access to U.S. government procurement markets solely as a sum of technical procurement rules, pointing to the “chilling effect” that such policies have on these firms’ ability to compete in markets where they may technically have access.

Loyola-Marymount University’s [Justin Hughes](#), who appeared as an individual, characterized President Biden’s January 2021 executive order as a “general tightening” of existing policies. Global Affairs Canada [officials](#) and [Canada’s Ambassador to the U.S.](#) underlined that the executive order was not of immediate concern because the GPA provides Canada with an exemption from “Buy American” policies, although the [Business Council of Canada](#) and [Canadian Manufacturers & Exporters](#) pointed to the executive order as a development that requires a Canadian response.

Potential for Expanded Policies

According to [Justin Hughes](#), President Biden has consistently supported “Buy America” policies, with his statements and actions since his inauguration reflecting his policy positions while campaigning for president. The Center for Strategic and International Studies’ [William Reinsch](#), who appeared as an individual, identified reasons why he believed that the prevalence of “Buy America” and similar policies is likely to rise, such



as the popularity of the policies, which will help President Biden gain the support of blue-collar workers who supported former President Donald Trump, and the COVID-19 pandemic and growing competition with China, which have led to an increased desire to repatriate manufacturing supply chains.

The [Minister of Foreign Affairs](#) noted that President Biden has stated his intention to amend the list of products subject to "Buy America" policies, with Global Affairs Canada [officials](#) mentioning "construction materials such as cement, aggregate [and] asphalt" as products that could be added. [Canada's Ambassador to the U.S.](#) also suggested that other goods could be included under "Buy America" policies under existing U.S. federal programs.

In pointing to The American Jobs Plan as being important context for "Buy America" policies and noting that the plan must be approved by the U.S. Congress, the [Canadian American Business Council](#) and the [United Steelworkers](#) cautioned that the trillions of dollars in proposed infrastructure spending would likely have "Buy America" policies attached to the funds. Global Affairs Canada [officials](#) indicated that the Government of Canada expects that negotiating access to procurement relating to the plan will be required.

IMPLICATIONS FOR CANADA AND THE UNITED STATES

In speaking to the Special Committee about the impacts of "Buy America" and similar policies on Canada and the U.S., witnesses highlighted some effects relating to: economic and supply chain integration, trade and investment; costs; and jobs.

Economic and Supply Chain Integration, Trade and Investment

Global Affairs Canada [officials](#) maintained that the current U.S. administration is aware of the integrated nature of the Canadian and U.S. economies, and understands that "a strict buy America kind of approach" would be costly because Canada supplies many inputs for "the products they are looking for."

In commenting that the Canadian and U.S. economies are "very tightly interconnected," the [Trade Justice Network](#) pointed out that any stimulus spending in the U.S. will "have spillover effects in Canada." In its view, this spending will likely be advantageous for Canada in the long run, even if "Buy America" policies mean the country has no direct benefit.

[Canadian Manufacturers & Exporters](#) claimed that “Buy America” policies are “undermining regional supply chains” because they do not “differentiate between integrated supply chains and imported or finished goods.” Similarly, the [Canadian Cement Association](#) said that “Buy America” or “Buy American” policies that restrict the flow of cement across the Canada—U.S. border “risk damaging” the “long-standing integrated supply chain” in the cement sector. From the perspective of [Canada’s Building Trades Unions](#), the intention to make it more difficult for foreign firms to obtain waivers concerning certain U.S. procurement policies can cause projects in the construction sector to be delayed due to the “intertwined [Canada–U.S.] supply chain.”

With a focus on trade, the [Minister of Foreign Affairs](#) observed that “Buy America” policies have a negative effect on Canada’s trade with — and interests regarding — the U.S. The [Minister](#) highlighted that these policies could have “unintended consequences,” and contended that the U.S. would be “cutting off its nose to spite its face” if it blocked imports from Canada, which — on average — contain 21% U.S. content.

Regarding trade in specific products, the [Canadian Canola Growers Association](#) said that, as an export-oriented crop, “Buy America” policies are “concerning” for the canola sector. However, [it](#) indicated that these policies have not yet affected Canada’s canola producers. As well, in stating that farmers can help to meet North America’s “growing need” for low-carbon biofuels, the Canadian Canola Growers Association emphasized the importance of “the free flow” of these products, their feedstocks and finished fuels.

The [Canadian Aluminium Association](#) asserted that the aluminum that Canada exports to the U.S. “will continue to find buyers, despite the buy America policy.” Nonetheless, [it](#) remarked that Canadian firms that make parts and components for tramway projects or city transit systems that are “sponsored” by the U.S. government are likely to be affected if Canada does not obtain an exemption from “Buy America” policies.

From the perspective of [AddÉnergie Technologies Inc.](#), to reduce U.S. greenhouse gas emissions by 50% by 2030, it is “crucial” for the U.S. to have “access as soon as possible” to a “highly-competitive and reliable” supply of clean technology and energy from “trusted” firms “on both sides of the [Canada–U.S.] border.” However, it also mentioned its concern that “current or potentially enhanced ‘Buy America’ measures” might “significantly hamper U.S. transportation electrification” and, if applied to Canadian-made electric vehicle charging stations, might affect Canadian firms that are contributing to this electrification.

In addition, [AddÉnergie Technologies Inc.](#) commented that it is unable to predict how various U.S. departments and agencies will apply any “Buy America” policies in the context of The American Jobs Plan. It estimated that “it could take many months if not



years” to adjust its supply chain appropriately, after which it would have to recertify its products.

On the topic of investment, the [Canadian Steel Producers’ Association](#) predicted that “Buy America” policies “will drive investment to the U.S. steel mills,” an outcome that — in its view — will affect the competitiveness of Canadian steel producers. [IPEX Management Inc.](#) suggested that it might build more production facilities in the U.S. if Canada does not obtain an exemption from “Buy America” or similar policies.

The [Canadian American Business Council](#) noted that, because of a “buy local” requirement, Bombardier built a facility in Plattsburgh, New York when it was bidding on a New York City contract to construct subway cars. [Canadian Manufacturers & Exporters](#) stated that some of its members purchased U.S. firms to avoid certain U.S. domestic preference policies but were told that they could not bid on U.S. contracts because they were not U.S. firms.

Certain Costs

[AddÉnergie Technologies Inc.](#) observed that, if expanded “Buy America” policies are applied to electric vehicle charging stations, its ability to produce these stations “in an efficient and integrated way” would be limited. Specifically, AddÉnergie Technologies Inc. highlighted that a requirement for all stations to be produced in the U.S., using 100% U.S. components, would likely duplicate production lines, “hike production costs” for producers in the electric vehicle charging sector, and “ultimately increase the burden on the U.S. taxpayers to achieve procurement goals.”

[Canada’s Building Trades Unions](#) and the [Canadian American Business Council](#) remarked that the City of Bettendorf, Iowa is installing elevators that might include parts that are produced only in Canada. [Canada’s Building Trades Unions](#) emphasized that, if a “Buy America” waiver is not issued, the city will have to custom-build the elevator components — doubling the US\$427,000 cost of the elevators — or “disassociate” from the grant that the U.S. federal government is providing for the procurement.²

2 According to Canada’s [Trade Commissioner Service](#), when a U.S. procurement is not “covered” by a trade agreement, the U.S. can waive applicable “Buy American” or “Buy America” requirements to allow the use of non-U.S. goods. The Trade Commissioner Service specifies that, generally, the U.S. can grant waivers when: the use of a U.S. product is “impractical or inconsistent with the public interest”; the product is not “mined, produced, or manufactured” in the U.S. in “sufficient and reasonably available commercial quantities of a satisfactory quality”; or the use of a U.S. product would lead to an “unreasonable” increase in the project’s total cost.

Jobs

The [Business Council of Canada](#) maintained that the “timing and approach of the [U.S.] latest proposed actions” in The American Jobs Plan and the Executive Order on Ensuring the Future Is Made in All of America by All of America’s Workers “go against the spirit” of the *Canada–United States–Mexico* Agreement (CUSMA), as well as “many of the shared objectives for bilateral co-operation.” In pointing out that CUSMA’s goal is “to enhance North American competitiveness in manufacturing, among other areas, while supporting well-paying jobs,” it said that “the direction taken on buy American by the [current U.S.] administration ... undermines the success of this critical agreement.”

Moreover, the [Business Council of Canada](#) claimed that “[t]ighter application of buy American rules and restrictions related to the American jobs plan” will harm Canadian and U.S. workers, while the [Canadian American Business Council](#) contended that the “Buy American” policy will lead to U.S. job losses.

[Unifor](#) asserted that a 2018 increase in the required amount of U.S. content for U.S. “federally funded transit purchases” caused a Canadian firm to lay off dozens of Unifor members at an assembly plant in Winnipeg.³

RECENT AND POSSIBLE FUTURE GOVERNMENT OF CANADA ACTIONS

In making comments to the Special Committee about Government of Canada actions concerning “Buy America” policies, witnesses outlined recent engagement with a variety of U.S. decision makers and proposed arguments that the Government could use when advocating a Canadian exemption from buy American provisions.⁴

Engagement

The [Minister of Foreign Affairs](#) stated that Prime Minister Justin Trudeau and the Minister of Finance have spoken with the U.S. Vice President about ways in which to avoid any “unintended consequences” of “Buy America” policies, while the [Minister of](#)

3 The U.S. Federal Transit Administration will not fund the purchase of railcars and buses unless the purchased goods would have a minimum amount of U.S. content, with this amount calculated by considering the cost of the components. The [Fixing America’s Surface Transportation Act](#) increased the U.S. content requirement from more than 60% in fiscal year 2016 to more than 70% by fiscal year 2020.

4 Witnesses variously described a Canadian exemption from any new “Buy America” policy as an “exemption,” “waiver” or “carve-out.” In this report, the term “exemption” is used to refer to measures that would exclude Canada from any future “Buy America” policy.



[Small Business, Export Promotion and International Trade](#) highlighted her conversations with both President Biden and the U.S. Trade Representative about ensuring “stability and prosperity for our industries.” Global Affairs Canada [officials](#) noted that a “number of conversations” have already taken place, and that there is an “openness” and “willingness” to discuss possible “negative implications” of “Buy America” policies.

Moreover, the [Minister of Small Business, Export Promotion and International Trade](#) and [Canada’s Ambassador to the U.S.](#) mentioned that, if the U.S. expands existing “Buy America” policies, the Government of Canada would attempt to have such policies not apply to Canada.

Arguments for a Canadian Exemption

The [Canadian American Business Council](#), the [Business Council of Canada](#) and [IPEX Management Inc.](#) encouraged the Government of Canada to pursue a full exemption from “Buy America” policies, an approach that the [Canadian Chamber of Commerce](#) called not “a viable option” and that [Unifor](#) described as “not realistic.”

Global Affairs Canada [officials](#) stated that, in their discussions with U.S. counterparts about exemptions to “Buy America” policies, the focus is on identifying key sectors where Canada can “put a lot of value added.” Similarly, the [Canadian Chamber of Commerce](#) urged the Government of Canada to identify sectors that the U.S. has prioritized in its infrastructure plan and in which Canada has “some key expertise,” while [Unifor](#) suggested that the focus should be on “points of alignment” where mutual benefit between Canada and the U.S. could be found.

With a focus on a permanent exemption for Canada from “Buy America” policies, through either a new agreement or an existing trade agreement, [Canadian Manufacturers & Exporters](#) described as “essential” a permanent bilateral agreement that would provide preferential treatment to Canadian and U.S. suppliers in public procurement markets. That said, [Geneviève Dufour](#) suggested that renegotiating CUSMA as a means by which Canada could obtain an exemption from “Buy America” policies would not be “a good idea.”⁵ Moreover, she contended that the U.S.’s commitments under the GPA constrain its ability to provide Canada with access to procurement that is not also provided to the agreement’s other members.

5 Chapter 13 of the *Canada–United States–Mexico Agreement* addresses government procurement; however, its provisions apply only to the U.S. and Mexico. Procurement commitments between Canada and the U.S. are part of the World Trade Organization’s revised *Agreement on Government Procurement*.

According to a brief that Global Affairs Canada submitted to the Special Committee, the U.S. can negotiate a “Buy America” exemption for Canada while respecting its international trade obligations. It states that the GPA “does not apply to ‘non-contractual agreements or any form of assistance that a Party provides, including cooperative agreements, grants, loans, equity infusions, guarantees and fiscal incentives,’” thereby allowing the Government of the United States to attach “Buy America” requirements to funding that it provides to state and local governments “to undertake infrastructure projects in a manner that is consistent with the GPA.”

In identifying reasons why a Canadian exemption from “Buy America” policies would be beneficial for both Canada and the U.S., the [Minister of Small Business, Export Promotion and International Trade](#), the [United Steelworkers, Unifor, Canada’s Building Trade Unions](#), the [Aluminium Association of Canada](#), the [Canadian Steel Producers Association](#) and the [Cement Association of Canada](#) identified Canada’s advantage in producing lower-carbon construction materials, including steel, aluminum and cement. The [Canadian American Business Council](#), [Canada’s Building Trades Unions](#) and the [United Steelworkers](#) suggested that a Canadian exemption from “Buy America” policies should be framed within the context of a Canada–U.S. procurement strategy that has a focus on sustainability.

With national security as a lens through which the U.S. could consider a Canadian exemption from “Buy America” policies, the [Canadian Global Affairs Institute](#), the [Canadian Chamber of Commerce](#) and the [Canadian American Business Council](#) asserted that the defence production sharing agreement between the U.S. and Canada provides a model that could be used to establish a similar relationship concerning government procurement.

Finally, in linking national security to manufacturing supply chains in Canada and the U.S., Global Affairs Canada [officials](#), the [Canadian Global Affairs Institute](#), [Justin Hughes](#), the [Canadian Chamber of Commerce](#) and the [Business Council of Canada](#) highlighted the U.S. government’s current focus on ensuring secure and resilient supply chains as an opportunity to promote an integrated approach to government procurement. As an example of such integration, the [Minister of Foreign Affairs](#) and [Canada’s Ambassador to the U.S.](#) noted that Prime Minister Trudeau and President Biden recently launched a Canada–U.S. supply chain strategy as part of the [Roadmap for a Renewed U.S.-Canada Partnership](#).



CONCLUSION

While a lack of data makes it difficult to quantify the past or current effects of “Buy America” policies on Canada, the Special Committee feels that the application of these policies to Canadian goods — a practice that has existed for decades — prevents integrated supply chains from functioning properly, can cause some firms to forego investments in Canada, and reduces Canada’s exports of certain products to the U.S., including some that are production inputs. Moreover, these policies likely lead to job losses in both Canada and the U.S. by hindering continental competitiveness and the mutually beneficial integration of markets. In addition, “Buy America” policies can make procurement projects more expensive for U.S. taxpayers, and limit the extent to which that country is able to attain its environmental and other goals.

The United States appears to be willing to discuss “Buy America” policies with Canada, including in the context of The American Jobs Plan. The Special Committee believes that the Government of Canada should continue discussions with the Government of the United States with a view to securing a full exemption for Canada from the application of “Buy America” policies, both now and in the future. If a full exemption is not possible, an exemption for specific Canadian sectors, including for those that are part of integrated supply chains, would be a second-best alternative. In that case, the Government should identify priority sectors through consultations with relevant business, employee and other stakeholders.

An exemption for Canada from “Buy America” policies would be beneficial for both Canada and the U.S. In the Special Committee’s opinion, such an exemption would recognize the integrated nature of the two countries’ economies and certain sectors, ensure that supply chains are able to function effectively, and contribute to business decisions that will enable firms and workers to maximize their economic contributions.

Enhanced awareness in the U.S. about the benefits of a Canadian exemption from “Buy America” policies, and the importance of uninterrupted and resilient supply chains, could facilitate efforts to secure better access to U.S. procurement markets. Accordingly, the Special Committee holds the view that the Government of Canada should continue to facilitate discussions in the two countries about “Buy America” policies.

Canada and the U.S. have a long history of cooperating for joint benefit in a wide range of areas. The Special Committee views government procurement as an area in which greater collaboration between the two countries would lead to gains for both. From that perspective, there is merit in Canada and the U.S. working together to develop bilateral procurement strategies. In developing such strategies, the countries could begin with a focus on areas where they have immediate shared priorities.

Finally, as Parliamentarians study issues and make recommendations, they should have access to timely and reliable information. In continuing its study of “Buy America” policies, the Special Committee would benefit from receiving updates – including from the Government of Canada – about the potential impacts of The American Jobs Plan.

In light of the foregoing, the Special Committee recommends:

Recommendation 1

That the Government of Canada continue its engagement with the Government of the United States regarding “Buy America” policies. Discussions should address these policies’ negative effects for both countries, including on supply chains and for jobs, and should focus on securing a full exemption for Canada from current and any future “Buy America” policies.

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That the Government of Canada, if a full exemption for Canada from “Buy America” policies is not possible, prioritize that integrated supply chains be exempted and differentiated from imported or finished goods, and pursue an exemption for specific Canadian sectors. The Government should identify those sectors through timely consultations with relevant business, employee and other stakeholders.

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That the Government of Canada work closely with Canadian firms and organized labour groups to continue to facilitate discussions, with their U.S. counterparts and other Americans, that would raise awareness in the United States about the increased costs to state and municipal projects that would result from Canada not receiving an exemption from “Buy America” policies. As well, the Government should create a working group of representatives of firms, labour groups and other stakeholders from both countries that would provide Americans with information about – and emphasize – the importance of uninterrupted and resilient supply chains.

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That the Government of Canada discuss, with the Government of the United States, the possibility of bilateral procurement strategies. If such strategies are developed, the countries should begin by focusing on products and sectors where they have immediate shared priorities.



Recommendation 5

That the Government of Canada work with the Government of the United States to develop a procurement strategy that would prioritize the purchase of goods having low-carbon emissions. This strategy should: potentially include carbon border tariffs; recognize the relatively low carbon emissions that result from Canadian production in such sectors as aluminum, steel and cement; and provide a competitive advantage to Canadian and American producers that have carbon emissions that are lower than producers in other countries.

Recommendation 6

That the Government of Canada closely monitor the possible approval and implementation of The American Jobs Plan announced by President Joe Biden in March 2021, and provide the House of Commons Special Committee on the Economic Relationship between Canada and the United States with written updates about the impacts of this plan and any associated “Buy America” policies. The Government should provide these updates on 31 July 2021 and on 31 August 2021.

APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee's [webpage for this study](#).

Organizations and Individuals	Date	Meeting
<p>Department of Foreign Affairs, Trade and Development</p> <p>Hon. Mary Ng, P.C., M.P., Minister of Small Business, Export Promotion and International Trade</p> <p>Arun Alexander, Director General North America Trade Policy Bureau</p> <p>Doug Forsyth, Director General Market Access</p> <p>Steve Verheul, Assistant Deputy Minister Trade Policy and Negotiations and Chief Trade Negotiator of the Canada-United States-Mexico Agreement</p> <p>Eric Walsh, Director General North America Bureau</p>	2021/04/01	7
<p>As an individual</p> <p>William Reinsch, Scholl Chair and Senior Adviser Center for Strategic and International Studies</p>	2021/04/08	9
<p>Canadian Centre for Policy Alternatives</p> <p>Stuart Trew, Senior Researcher</p>	2021/04/08	9
<p>Canadian Global Affairs Institute</p> <p>Colin Robertson, Vice-President and Fellow</p>	2021/04/08	9

Organizations and Individuals	Date	Meeting
Department of Foreign Affairs, Trade and Development Hon. Marc Garneau, P.C., M.P., Minister of Foreign Affairs Michael Grant, Assistant Deputy Minister Americas Steve Verheul, Assistant Deputy Minister Trade Policy and Negotiations and Chief Trade Negotiator of the Canada-United States-Mexico Agreement	2021/04/08	9
As an individual Geneviève Dufour, Full Professor Université de Sherbrooke Justin Hughes, Distinguished Professor of Law Loyola Marymount University	2021/04/15	10
Canadian Manufacturers & Exporters Mathew Wilson, Senior Vice-President Policy and Government Relations	2021/04/15	10
Canadian Steel Producers Association Catherine Cobden, President and Chief Executive Officer	2021/04/15	10
Cement Association of Canada Michael McSweeney, President and Chief Executive Officer	2021/04/15	10
Trade Justice Network Angella MacEwen, Co-Chair	2021/04/15	10
Canada's Building Trades Unions Sean Strickland, Executive Director	2021/04/22	11
Canadian American Business Council Maryscott Greenwood, Chief Executive Officer	2021/04/22	11
Canadian Chamber of Commerce Mark Agnew, Vice-President Policy and International	2021/04/22	11
Unifor Jerry Dias, National President Angelo DiCaro, Director of Research	2021/04/22	11

Organizations and Individuals	Date	Meeting
United Steelworkers Meg Gingrich, Assistant to the National Director Ken Neumann, National Director for Canada National Office	2021/04/22	11
AddÉnergie Technologies Inc. Travis Allan, Vice-President Public Affairs and General Counsel	2021/04/29	12
Aluminium Association of Canada Jean Simard, President and Chief Executive Officer	2021/04/29	12
Business Council of Canada Trevor Kennedy, Director Trade and International Policy	2021/04/29	12
Canadian Canola Growers Association Dave Carey, Vice-President Government and Industry Relations Janelle Whitley, Manager Policy Development	2021/04/29	12
IPEX Management Inc. Veso Sobot, Director Government Affairs and Public Relations	2021/04/29	12

APPENDIX B LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's [webpage for this study](#).

Department of Foreign Affairs, Trade and Development

Hitachi ABB Power Grids

United Steelworkers

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 7, 9 to 14](#)) is tabled.

Respectfully submitted,

Raj Saini
Chair

