

RESOLUTION #CA-1020-01

RESOLUTION IN SUPPORT OF REMOVING U.S. TARIFFS ON IMPORTS OF NON-ALLOYED ALUMINUM FROM CANADA

WHEREAS, the United States and Canada have one of the largest trading relationships in the world, and Canada is the United States' largest export market, valued at USD\$292.7 billion in goods and services in 2019; and

WHEREAS, the United States and Canada have worked together for decades on defense and security issues, and Canada is recognized as a security partner in U.S. law as part of the U.S. National Technology and Industrial Base, and has long been considered a highly reliable supplier of aluminum, in particular to the U.S. defense industry; and

WHEREAS, the United States and Canada traded goods and services worth USD\$721 billion in 2019, nearly \$2 billion per day; and

WHEREAS, 44 U.S. states count Canada as their first or second trading partner; and

WHEREAS, The United States, Mexico, and Canada signed an agreement on November 30, 2018, to modernize the 24-year-old NAFTA into a 21st century, high-standard agreement, and the United States-Mexico-Canada Agreement (USMCA) entered into force on July 1, 2020 which included provisions to continue zero-tariff treatment on goods exchanged among the three trading partners; and

WHEREAS, in the almost three decades since the United States, Canada, and Mexico originally entered into the North American Free Trade Agreement (NAFTA), North American trade has tripled from \$340 billion (in 1993) to \$1.2 trillion (in 2018); and

WHEREAS, North American integration under the former North American Free Trade Agreement (NAFTA) and the current USMCA has helped to make the region more competitive in the world economy by providing highly integrated and valuable supply chains, common rules, and harmonized regulations that increase the speed and global competitiveness of our businesses.

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Sen. Sharon Carson, NH, Co-Chair Rep. Lucy Weber, NH, Co-Chair Hon. Ted Arnott, Speaker, Ontario, *Co-Vice Chair* MPP Gila Martow, Ontario, *Co-Vice Chair*

Wendell M. Hannaford, Director

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WHEREAS, the U.S. government announced on August 6 that it was "necessary and appropriate to re-impose the 10 percent ad valorem tariff" on imports of non-alloyed unwrought aluminum articles from Canada under U.S. national security threat provisions contained in Section 232 of the U.S. Trade Expansion Act of 1962, effective August 16, 2020; and

WHEREAS, this decision will slow the rate of recovery from the unprecedented economic contraction due to COVID-19 and exacerbate the difficulties faced by cross-border supply chains necessary to manufacturers in the United States as well as in Canada; and

WHEREAS, the government of Canada announced it intends to impose on September 16, 2020, dollar for dollar CAD\$3.6 billion in punitive countermeasures in response to the U.S. tariffs after a 30-day consultation with business leaders; and

WHEREAS, the Council of State Governments Eastern Regional Conference (CSG East) believes that free, open, and reciprocal trade between our two countries strengthens the economies of our regional states and provinces and the economies of both nations; and

NOW, THEREFORE BE IT RESOLVED, that CSG East recognizes the highly integrated economy that the United States and Canada share; and

BE IT FURTHER RESOLVED, that CSG East asks the U.S. federal government to rescind the August 6 decision to increase tariffs on Canadian aluminum products; and

BE IT FURTHER RESOLVED, that this resolution be submitted to appropriate state, federal, and provincial executive and legislative officials.