

## The Case for Steel: Ensuring a level playing field for Canada's most sustainable construction material.

### 1. Canada's steel industry contributes significantly to the national GDP.

- Annual production of over 13 million tonnes of steel - generating revenues in excess of \$14 billion and employing over 130,000 Canadians.
- In the global marketplace, Canadian steel has a long-standing reputation for quality, innovation and value, and generates over \$6.8 billion in annual exports.
- The Steel Construction sector is a vibrant \$5.0 billion industry that employs over 40,000 individuals and manufactures world class structures and bridges.
- The Construction sector employs 1.35 million Canadians or approximately 7 per cent of Canada's total workforce. Annually, construction is responsible for nearly \$90 billion in economic activity or 7 per cent of Canada's overall gross domestic product. In the decade ahead, the Canadian construction market is expected to become the 5th largest in the world. (*Canadian Construction Association*)
- Recent manufacturing sales in Canada topped \$571 billion, with primary metals accounting for \$50 billion in sales. Manufacturing accounts for 12% of the national GDP (*Canadian Manufacturers & Exporters*)

### 2. Canadian steel is the most sustainable local construction material with the smallest carbon footprint in the industry.

- Steel has a 98% recycling rate, and can have up to 93% recycled content.
- Over 80 million tons of steel is recycled every year in North America. Recycling steel saves the equivalent energy to power about 20 million households for a year.
- We have reduced our carbon footprint by 47% since 1990, and each ton of steel produces less than 0.73 tons of carbon dioxide.
- We have reduced our energy intensity per ton by 29% in the last 25 years through state of the art manufacturing and efficient production processes.
- The Canadian steel industry is well positioned to partner with the government to help meet its COP21 Paris Climate Conference commitments of a low carbon, climate resilient economy.

### 3. The Canadian Institute of Steel Construction (CISC) is the national industry organization representing the steel construction sector in Canada.

- Through our partnerships with industry and government, we are actively engaged in building a thriving, sustainable, and globally competitive construction industry with the capacity, vision and leadership to serve Canada's growing building and construction needs.

**We would like to partner with you to develop solutions to key issues that are impacting our industry.**

**These include:**

- 1. Free & Fair Trade:** Canada's current trade policies and agreements allow our trading partners to have open access to our markets, while many of them deny Canadian manufacturers equal and reciprocal access to their markets. Some of our trading partners engage in unfair trade practices, and do not have the same rigorous environmental and safety standards or wages as Canada. This creates an unfair trade environment for Canadian steel manufacturers. We consider it vital to ensure that Canadian manufacturers are able to access, compete, and thrive in an open, competitive, free and fair global marketplace. **As such, we are proposing the adoption of a Federal Reciprocal Procurement Act based on the following foundational principles:**

**Principles for a Proposed Federal Reciprocal Procurement Act**

- **The Federal government supports the concept of free and fair trade.**
  - **The Federal government supports the concept of reciprocal procurement.**
  - **The Federal government, while respecting current trade agreements, reserves the right to prohibit government procurement of products and services from a foreign country (and/or state within) that restricts or limits access of Canadian suppliers and manufacturers.**
- 2. Infrastructure investment and local procurement:** This is a key government priority which includes a commitment to spend up to \$125 billion over 10 years on federal and municipal infrastructure, including over \$5.0 billion in 2016-2017.
    - **The Federal government needs to put minimum Canadian and regional/local content requirements on all infrastructure spending (Federal and sub-Federal) in order to truly benefit the local communities and Canada in general while respecting any existing trade obligations.**
    - **The Federal Government needs to enact procurement practices that hold foreign bidders to the same standards as Canadian companies bidding for the same work (e.g. minimum wage, environmental and safety standards)**
    - **The Federal Government's procurement evaluation of foreign bidders should incorporate the cost of "lost money to the economy, jobs, taxes and spin off industries" into the bid assessment process. "Cheaper is not Cheaper".**
    - **The Federal government should exclude, disqualify and/or reject any bid coming from a country, state or region outside of Canada that does not permit Canadian supply of a similar product or service.**
  - 3. Federal Prompt Payment Legislation:**
    - **Prompt payment is one of the biggest issues impacting the construction industry. The ability of trade contractors to be paid in a timely fashion for services rendered is critical to ensuring the long-term survival and growth of these small to mid-sized enterprises, their ability to support employment and job growth, and investments in machinery, innovation and our future workforce.**
    - **Delayed payments are an existentialist threat to construction trade contractors who collectively employ over 80% of the construction industry workforce in Canada.**
    - **The majority of U.S. states, the European Union, the United Kingdom, Ireland, Australia and New Zealand have enacted prompt payment legislation to counter late payment practices.**
    - **The CISC strongly supports the Federal Prompt Payment Legislation proposed by the NTCCC (National Trade Contractors Coalition of Canada) that is being brought to the Senate in March 2016.**
    - **We request the government to enact Federal Prompt Payment legislation to provide immediate relief to construction industry trades – the life blood of the Canadian construction industry, and to accelerate the timelines for payment to the construction trades on government funded projects.**

We urge the Canadian government and all political parties to take the lead to ensure a level playing field, encourage local procurement, and preserve a free and fair trade environment that will ensure a strong and vibrant steel construction industry, contribute to meeting Canada's commitment to fight climate change, and secure the livelihood of thousands of families across Canada for generations to come.