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June 13, 2018

His Excellency Justin Trudeau, Prime Minister of Canada Office of the Prime Minister 80 Wellington Street Ottawa, Ontario K1A 0A2

The Honourable François-Philippe Champagne, P.C., M.P. Minister of International Trade House of Commons 80 Wellington Street Ottawa, Ontario K1A 0A6

Dear Prime Minister Trudeau and Minister Champagne:

The Metals Service Center Institute (MSCI) has already asked U.S. President Donald Trump to reinstate exemptions for Canada and Mexico regarding the Trump administration's Section 232 steel and aluminum tariffs. We write to you today to respectfully ask that you also reconsider imposing retaliatory tariffs on steel and aluminum products imported into Canada from the United States.

Businesses in the Canadian and American metals sectors, not to mention consumers in both countries, would be best served if Canada and the United States, along with Mexico, come back to the negotiating table to reach an agreement to end these tariffs, and to reject future tariff threats.

MSCI is a North American trade association serving over 300 companies with more than 1,200 locations that supports and represents the broadest representation of the metals value chain, including metals producers, distributors, processors, service providers and metals users. In Canada alone, our members have 175 locations and employ thousands. We are a strong supporter of the North American Free Trade Agreement (NAFTA). In our <u>statement</u> after President Trump's May 31 Section 232 tariff decision, we noted NAFTA has positively impacted the manufacturing sectors in Canada, Mexico, and the United States, fostering a \$1 trillion annual trading relationship that is beneficial to both businesses and consumers. We also

reminded the Trump administration that the United States' allies in Canada and Mexico are good, reliable trading partners, and are not the cause of global steel and aluminum oversupply.

MSCI also stressed the benefits of the Canadian-U.S. trading relationship in formal written comments regarding NAFTA modernization that it submitted to the Office of the U.S. Trade Representative in June 2017. Those comments are available here.

From the start of the Trump administration's Section 232 investigations, MSCI made it clear to the Trump administration that we believed NAFTA trading partners should be exempt from those penalties. We agree with your position that tariffs should be focused on non-market economies like China that routinely thwart international law. Our responses to the Trump administration's Section 232 steel and aluminum investigations, which make that request, are available here.

The U.S. and Canadian tariffs would have a significant negative impact on our Canadian members, their employees and their customers. We want to emphasize again that we are a North American trade association, representing companies with operations in Canada, the United States, and Mexico. Among our Canadian members is Samuel, Son & Co., a family-owned firm founded in Toronto in 1855. It is one of our largest Canadian members. Samuel, Son & Co. operates service centers all over Canada, the United States, and Mexico and employs more than 2,300 Canadian residents.

We believe U.S., Canadian, and Mexican officials should continue discussions with a sense of urgency to update NAFTA and strengthen our ties between NAFTA trading partners. It is our hope in that, through ongoing NAFTA negotiations, Canadian, Mexican, and U.S. negotiators can strengthen this relationship and reach a speedy resolution to end these disastrous steel and aluminum penalties. We are available to Governments on both sides of the border to consult on the impacts that these trade actions have had on our industries.

Sincerely,

M. Robert Weidner, III

William Taggart Chisholm

M. Robert Weidner, III President & CEO, MSCI

William Taggart Chisholm President & CEO, Samuel, Son & Co. Vice Chair, MSCI