



July 11, 2018

Hon. Chrystia Freeland
Minister of Foreign Affairs
House of Commons
Ottawa, ON K1A0A6
sent by email: chrystia.freeland@parl.gc.ca

Dear Minister Freeland,

RE: Response to Tariffs on U.S. and Canadian Steel and Aluminum Products

We write to express the collective concern of the heating, ventilation, air-conditioning, and refrigeration (HVAC-R), water heating, and plumbing industries in regard to the ongoing steel and aluminum tariff dispute between Canada and the United States. The new tariffs, implemented on June 1, 2018 by the United States and matched on July 1, 2018 by Canada, stand to negatively impact both Canadian and U.S. businesses, employees, and customers. The undersigned industry associations are united in our opposition to tariffs and encourage free, harmonized trade between Canada and the United States.

For decades, our associations and members have worked to ensure our countries work collaboratively to achieve the best possible outcomes for businesses and consumers, and free trade is a vital part of that relationship. Immense progress has been made over the past 30 years and our economies are demonstrably more stable when working together. This progress is evidenced by thousands of workers in the multi-billion-dollar HVACR, water heating, and plumbing supply chain meeting the needs of Canadian and U.S. citizens. We urge both sides of this dispute to act judiciously and consider the ramifications these tariffs will have on both nations.

Our members often require materials that can only be sourced from trading partners in Canada or the United States. This trading relationship has, understandably, developed out of our existing rules-based trade agreement and provides the best products and services to consumers in the most efficient manner possible. These new tariffs will disrupt existing trade partnerships and increase prices by 10 to 25 percent. Price increases will impact thousands of suppliers and countless families in Canada and the United States.

To illustrate this point, tariff item 8419.19.00 "*Instantaneous or storage water heaters, non-electric: Other,*" which was included in Canada's finalized tariff list on July 1, 2018 will add a 10% additional cost on non-electric options, create an artificial incentive for fuel switching, pose problems for regulated utilities and restrict consumer choice.

Raw steel and aluminum products play an important role in the manufacture, installation and service of many of the products in the HVAC-R, water heating, and plumbing sectors. These products allow our industry to improve energy efficiency in new construction and retrofits of existing buildings. Additionally, many HVAC-R, water heating, and plumbing products have an impact on other industries including mining and natural resources, advanced manufacturing, information technology, and the service sector. Consumers will ultimately shoulder the burden when tariffs artificially inflate the cost of products and operations. We are concerned that the steps being taken by both countries will have a detrimental effect on both economies and will reduce North American competitiveness globally.



We strongly encourage a speedy resolution in order to remove these recently imposed tariffs. Our industry, and many others, will benefit if Canada and the United States work together towards free trade.

Sincerely,


Ralph Suppa
 President and General Manager
 CIPH


Sandy McLeod
 President and CEO
 HRAI


Steve Yurek
 Chief Executive Officer
 AHRI


Kerry Stackpole
 CEO/Executive Director
 PMI


Alex Ayers
 Director, Government Affairs
 HARDI

CC Colin Carrie, Conservative Critic for Canada-U.S. Relations
 Hélène Laverdière, NDP Critic for Foreign Affairs



Founded in Montreal in 1933, the CIPH is a not-for-profit trade association that is committed to providing members with the tools for success in today's competitive environment. More than 290 companies are members of this influential Canadian industry association. They are the manufacturers, wholesaler distributors, master distributors, manufacturers' agents, and allied companies who manufacture and distribute plumbing, heating, hydronic, industrial PVF, and waterworks, and other mechanical products. CIPH wholesalers operate more than 700 warehouses and showrooms across Canada. Total industry sales exceed \$6.5 billion annually and CIPH members have more than 20,000 employees from coast to coast.
 295 The West Mall, Suite 504, Toronto, ON M9C 4Z4



Plumbing Manufacturers International is the voluntary, not-for-profit international industry association of manufacturers of plumbing products, serving as the Voice of the Plumbing Industry. Member companies produce 90 percent of the nation's plumbing products and represent more than 150 brands. As part of its mission, PMI advocates for plumbing product performance and innovation contributing to water savings, sustainability, public health and safety, and consumer satisfaction.
 1750 Tysons Blvd., Suite 1500, McLean, VA 22102



Founded in 1968, the Heating, Refrigeration and Air Conditioning Institute of Canada (HRAI) is a non-profit national trade association of manufacturers, wholesalers and contractors in the Canadian heating, ventilation, air conditioning and refrigeration (HVACR) industries. HRAI advocates a safe, responsible and fair industry where indoor environment systems and refrigeration processes are designed, installed and serviced by qualified professionals in order to ensure efficient and energy-conscious operation.
 2350 Matheson Blvd. East, Suite 101, Mississauga, ON L4W 5G9



The Air-Conditioning, Heating, and Refrigeration Institute (AHRI) is the trade association representing manufacturers of HVACR and water heating equipment within the global industry. AHRI's 315 member companies manufacture quality, efficient, and innovative residential and commercial air conditioning, space heating, water heating, and commercial refrigeration equipment and components for sale in North America and around the world, and account for more than 90 percent of HVACR and water heating residential and commercial equipment manufactured and sold in North America.
 2111 Wilson Blvd., Suite 500, Arlington, VA 22201



HARDI (Heating, Air-conditioning & Refrigeration Distributors International) is the single voice of wholesale distribution within the HVACR industry. HARDI members market, distribute, and support heating, air-conditioning, and refrigeration equipment, parts and supplies. HARDI Distributor members serve installation and service/replacement contractors in residential and commercial markets, as well as commercial/industrial and institutional maintenance staffs. HARDI proudly represents more than 480 distributor members representing more than 5,000 branch locations, and close to 500 manufacturers, manufacturer representatives and service vendors.
 445 Hutchinson Ave., Suite 550 - Columbus, OH 43235