

June 5, 2009

MIT09.2.01

SUPPORT FOR FAIR TRADE IN THE U.S. STIMULUS PACKAGE

WHEREAS the world's economy has entered into a period of slow economic growth;

WHEREAS governments throughout the world have introduced various stimulus packages to encourage economic growth;

WHEREAS the North American market for a wide variety of construction supplies and manufactured goods used in municipal infrastructure projects is highly integrated;

WHEREAS the United States of America is Canada's largest trading partner and a signatory of the North American Free Trade Agreement, and both countries benefit from a highly integrated market for construction supplies and related manufactured goods used in municipal infrastructure projects;

WHEREAS Canadian municipalities are supportive of Free Trade between Canada and the United States which has existed for many years;

WHEREAS the Government of the United States of America has introduced infrastructure stimulus packages including the American Recovery and Reinvestment Act (ARRA) which includes "Buy American" provisions for steel and other manufactured products;

WHEREAS these restrictive provisions which are contrary to the spirit of free trade will prevent Canadian companies from bidding on contracts which contain the "Buy American" provisions at the municipal and state levels in the United States since NAFTA and The Agreement on Government Procurement of the World Trade Organization do not nullify such provisions at those levels:

WHEREAS Canadian stimulus infrastructure programs do not contain any restrictions on manufacturers from other countries including the United States bidding on such contracts in Canada;

WHEREAS Canadian-based companies may be adversely affected by these restrictions possibly leading to lay-offs and financial losses and could lead to the erosion of their overall ongoing viability;

WHEREAS the economic outlook of local employers is a municipal interest because of the potential negative effects of business failures on local quality of life, community vibrancy and the property tax base;

WHEREAS Canadian municipalities have the right to undertake measures to protect their local economies and quality of life;

BE IT RESOLVED that municipalities express support for the spirit of free and fair trade between the United States and Canada and that the restrictive 'Buy American' provisions in the American Recovery and Reinvestment Act are contrary to that spirit of free trade;

BE IT FURTHER RESOLVED that the Federation of Canadian Municipalities (FCM) supports the Government of Canada and the Canadian Manufacturers and Exporters and other stakeholders in their efforts to urge the United States Congress to repeal 'Buy American' requirements in federal stimulus packages;

BE IT FURTHER RESOLVED that FCM support municipalities who choose to adopt procurement policies which favour free and fair trade by ensuring that local infrastructure projects, including environmental projects such as water and wastewater treatment projects, procure goods and materials required for the projects only from companies whose countries of origin do not impose trade restrictions against goods and materials manufactured in Canada;

BE IT FURTHER RESOLVED, given that the Prime Minister, Premiers and Territorial Leaders, and the U.S. Chamber of Commerce have recently called for bi-lateral negotiations to resolve this issue, that the measures proposed in operative clause #3 above be suspended for 120 days to allow for a negotiated resolution of this matter; and

BE IT FURTHER RESOLVED that FCM urge the US National League of Cities and the US Conference of Mayors to also support the spirit of this resolution and the spirit of free trade, so that municipalities on both sides of the border can continue to procure supplies in the fairest and most efficient manner.

*Town of Halton Hills, Ontario
Halton Region, Ontario
City of Temiskaming Shores, Ontario
City of Surrey, British-Columbia
City of Brampton, Ontario
City of Burlington, Ontario
Town of Milton, Ontario
Town of Caledon, Ontario
Town of Conception Bay South, Newfoundland & Labrador
Township of Scugog, Ontario
Township of Uxbridge, Ontario
Township of Langley, British Columbia*

EXECUTIVE COMMITTEE (May 2009): Category "A"; Concurrence; EMERGENCY RESOLUTION

2009 ANNUAL CONFERENCE DECISION:
