

September 28, 2016

URGENT

VIA Email and Mail

TO:

The Right Honourable Justin Trudeau
Prime Minister of Canada
Prime Minister's Office
Mail Deliveries, Room 105, Langevin Block
Langevin Block 80 Wellington Street
Ottawa, Ontario K1A 0A3
Canada

AND TO:

The Honourable Bill Morneau
Minister of Finance
Office of the Minister of
Finance
90 Elgin St.
Ottawa, Ontario K1A 0G5
Canada

The Honourable Navdeep Bains
Minister of Innovation, Science and
Economic Development
Office of the Minister
235 Queen Street
Ottawa, Ontario K1A 0H5
Canada

The Honourable Amerjeet Sohi
Minister of Infrastructure and Communities
Office of Minister
180 Kent Street, Suite 1100
Ottawa, Ontario K1P 0B6
Canada

Re: IMPORTS US GYPSUM BOARD INTO CANADA

Dear Hon. Prime Minister Trudeau, Hon. Mr. Morneau, Hon. Mr. Bains, Hon. Mr. Sohi,

On September 6th, the Canada Border Services Agency imposed preliminary dumping duties of 105.2 to 276.5% on gypsum board (drywall) exported from the US and imported onto Western Canada. Though the Canadian International Trade Tribunal (CITT) is conducting an injury inquiry, the adverse effects of the duty are being felt by the construction industry across British Columbia, Alberta, Saskatchewan and Manitoba. In addition to the rapid price escalations to end users of gypsum board, there are concerns over the significant shortages of material caused by the imposition of these prohibitive duties.

The duties are passed down to suppliers and drywall contractors that cannot absorb these prohibitively high duties; they must be passed on through the general contractor and developer to the consumer. The issue for our associations is that many drywall contractors have fixed rate contracts with jobs that extend into the future, and these contracts do not provide, and cannot sustain, the massive price increases required to accommodate the duties. The inability of these contracts to absorb the price increases has the potential to cause businesses to fail and to put thousands of people out of work across Western Canada. Over the long term, businesses can adjust and quote jobs accordingly, but over the short term they are in great jeopardy. The preliminary duties are doing damage to many businesses across Western Canada, at a time when the industry is already experiencing a significant downturn in some regions. These duties are directly adding to house prices in markets that are already experiencing an affordability crisis.

In the commercial and industrial wall and ceiling industry across our Western provinces, our contractors, who already carry a disproportionate amount of risk, are experiencing push-back – to flat refusal - from general contractors unwilling to even negotiate these tremendous cost increases caused by the tariffs. Many of the projects are government funded infrastructure projects. It is critical that projects are not delayed and that Western Canada keeps contributing to our GDP and our employment by doing what we do best, building.

The Wall and Ceiling industry associations of Western Canada have a unified voice and ask that your government intervene in the CBSA and CITT processes to provide relief to our industry. We ask that the duties be remitted or rescinded until the Tribunal issues its final injury decision on January 4, 2017 or that a 180 day grace period be put in place to allow businesses time to adjust.

Respectfully,

The Alberta Wall & Ceiling Association
The British Columbia Wall & Ceiling Association
The Saskatchewan Wall & Ceiling Association

The Association of Wall & Ceiling Contractors of BC
The Manitoba Wall & Ceiling Association Inc.



Gerald Butts - Principal Secretary to the Prime Minister
Sharan Kaur - Senior Special Assistant & Executive Assistant, Minister of Finance
Elder Marques, Chief of Staff, Minister of Innovation, Science and Economic Development

NOTE:

The wall and ceiling industry in Western Canada Wall contributes approximately 10-12 % of the construction industry GDP contribution to Western Canada.