

OPCEA concerned about FCM Resolution

In a recent survey, less than one in three member companies of the Ontario Pollution Control Equipment Association, (OPCEA) supported the Federation of Canadian Municipalities (FCM) “Fair Trade” Resolution. This resolution encourages Canadian municipalities to adopt procurement policies aimed at excluding the use of products in Canadian infrastructure projects, which are imported from countries that do not allow free and unfettered access to Canadian made products. The FCM resolution was crafted in response to the “Buy American” provisions contained in the *American Recovery and Re-investment Act (ARRA)*, and was intended to support Canadian manufacturers.

OPCEA believes both the “Buy American” provisions of the ARRA and the retaliatory FCM resolution, are contrary to the provisions contained in the North American Free Trade Agreement (NAFTA), which the association supports.

OPCEA is comprised of companies that manufacture wastewater treatment equipment in Ontario, and companies that sell, or distribute wastewater treatment equipment in Ontario, from companies based in foreign countries, including the United States. While the association recognizes the need to support free access to the US market for its Canadian manufacturing members, it also supports member companies that sell American products into the Ontario market. It is the opinion of the association, that the two markets are inextricably linked, and that any policy that restricts market access in either direction, is counter-productive, and ultimately will negatively affect Canadians.

While the proponents of the FCM resolution claim that equipment that is currently sourced in the US can be replaced with products from other countries, according to OPCEA, Canada does not have free trade agreements with those countries. There will be a heavy price penalty involved in sourcing equipment from non-NAFTA countries, due to countervailing duties and higher shipping costs. Those costs will be borne by municipalities, and ultimately by taxpayers.

Another reality is that Canadian wastewater equipment manufacturers have neither the range of products, nor

the capacity, to fill the approximately six billion dollar annual void that would be created, if US-made wastewater and water infrastructure products are no longer purchased. Additionally, OPCEA fears many member companies may be forced to lay off workers, or even close down operations, if they cannot sell American-made products on Canadian municipal infrastructure projects. OPCEA

believes that this issue should be addressed and resolved at the federal government and provincial/state government levels, and not at the municipal level. It encourages the FCM to step back from its confrontational stance, and allow bilateral negotiations to progress to a mutually satisfactory conclusion, serving both American and Canadian interests.

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