



Innovative Products For **Home. Work. Life.**

June 15, 2018

International Trade Policy Division  
(U.S. 232 Retaliation Consultations)  
Department of Finance  
James Michael Flaherty Bldg., 14<sup>th</sup> Floor  
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Dear Sir/Madam:

Subject: *Notice of intent to impose countermeasures action against the United States in response to tariffs on Canadian steel and aluminum products*

On behalf of the Household & Commercial Products Association and its members, we respectfully request the reconsideration of Canada's recently-announced retaliatory tariffs for various products exported to Canada from the United States, in response to U.S. tariffs on imported steel and aluminum products. In addition to raising prices for products that Canadian consumers know and trust, and threatening the jobs of Canadians employed by U.S.-based manufacturers, the countermeasures have the potential to further escalate a trade conflict between friendly nations that imperils the global economy.

The Household & Commercial Products Association is the premier trade association representing companies that make and sell \$180 billion U.S. annually of products used for cleaning, protecting, maintaining, and disinfecting homes and commercial environments. Many of these products use aerosol technology, making the aerosol industry an integral part of the household and commercial products industry. HCPA analysis reports that in 2016, United States manufacturers produced 3.02 billion steel containers, 811 million aluminum containers and 3.72 billion valves to fill 3.75 billion aerosol products. The aerosol industry relies on high-quality imported steel and aluminum, including Canadian steel and aluminum, to produce the containers and valves essential to the safety and performance of the finished aerosol products. As a result, the U.S. government's decision to impose tariffs on imported steel and aluminum threatens to raise commodity prices for aerosol manufacturers. Understanding our obligation to also urge the U.S. government to end its tariffs on commodities imported from Canada, HCPA has vehemently opposed the U.S. tariff proposal in letters to President Trump and Administration officials.

Canadian countermeasures will multiply the negative impact of this trade conflict on HCPA members. On top of the U.S. steel and aluminum tariffs, Canadian countermeasures will increase costs for U.S.-based manufacturers, many of whom employ thousands of Canadian workers, by millions of dollars annually. In particular, the Canadian retaliatory tariffs have been applied to a variety of other household and commercial products manufactured by HCPA members, including automatic dish detergent (HS 3402.20.10), preparations for perfuming or deodorizing rooms (HS 3307.49) and insecticides (HS 3808.91.10).

Our Canadian-based sister association, the Canadian Consumer Specialty Products Association, estimates that the automatic dish detergent and perfume/deodorizer tariffs will amount to nearly \$13M Cdn. annually. The tariff on insecticides, on the other hand, will drastically increase the prices for products in a marketplace

dominated by U.S. manufacturers, and the result will be decreased access to products that help prevent insect-borne diseases such as Lyme disease, West Nile virus, and Zika. The scarcity of domestic suppliers in Canada will threaten the public health as North America enters spring and summer and sees an increase in outdoor activity and insect exposure.

While we sympathize with the Canadian government's desire to push back against American tariffs, we hope it will put an increased emphasis on de-escalating this cross-border trade conflict instead of increasing tensions through retaliatory tariffs that double the burden on manufacturers employing thousands of Canadian workers.

Sincerely,

A handwritten signature in blue ink, appearing to read "Owen Caine", is written over a light blue horizontal line.

Owen Caine  
Executive Vice President,  
Government Relations & Public Policy  
Household & Commercial Products Association.