



Peel Regional Council says YES to Concrete Pressure Pipe and Buy Canadian

Peel Regional Council heard nine delegations on July 5, 2012 concerning the Hanlan Water Project. Council was asked to decide whether to allow steel pipe supplied by Northwest Pipe Company from the United States as an alternative to concrete pressure pipe for the Hanlan Water Project.



Tibor Kolley / The Globe and Mail

Mississauga Mayor – Hazel McCallion

“We talk about free trade, but it really isn’t and it never has been.”

- Mayor Hazel McCallion

The Hanlan Water Project is the “largest and most extensive watermain project the Region has ever designed and constructed.” The Hanlan feedermain and the distribution watermains are required to meet the water demands of future population growth in Peel Region. The Hanlan will require a combination of open-cut construction and tunnelling. This project includes installation of 14.5 kilometres of 2,400 mm diameter feedermain and 6 kilometres of 1,500 mm diameter subtransmission watermain.

Representatives from the Ontario Concrete Pipe Association, Munro Ltd., and Hanson Pipe and Precast presented information focused on – **PROTECT ONTARIO JOBS**. Concrete pressure pipe is manufactured in Ontario by two manufacturers, Hanson Pipe and Precast and Munro Ltd. Combined, these two companies represent over 1000 direct manufacturing jobs; additionally, with both companies there is a supply chain of materials which creates more local jobs. Cement, steel (plate and coil), aggregates (stone and sand) gaskets, couplings, plugs, and welding supplies are all sourced from Ontario companies. In addition to the 1000 direct manufacturing jobs at Hanson and Munro there are 3,000 to 4,000 indirect jobs in the supply chain. Councillors were asked to contrast these statistics with those of Northwest Pipe company, which has no jobs in Canada and has no supply chain in Canada. If Northwest Pipe was permitted to supply steel pipe for the Hanlan water project, Canadian manufacturing jobs would be at risk.

Every dollar invested in infrastructure creates as much as \$1.11 in economic growth, according to a Conference Board of Canada analysis of recent investments. But that is only true when we in Ontario build our own infrastructure with Ontario-supplied products and labour. When we allow foreign companies to participate



in our infrastructure projects, we are giving away that potential economic growth.

Northwest Pipe's interest in the Hanlan Water Project is understandable. The U.S. infrastructure market has still not rebounded, and the Hanlan Water Project represents large quantities of pipe, almost 2400 pieces of 2400mm diameter pressure pipe and close to 1000 pieces of 1500mm pipe, plus the associated fittings and valve chambers. [This project is representative of the province at large: "Ontario today has one of the most dynamic markets for infrastructure in the world" – Building Together: Ministry of Infrastructure Ontario, 2011. It is no wonder that American companies are interested.](#)

The Northwest Pipe delegation said "it's not about Canada; it's not about the United States". They asked the councillors to "allow fair competition (in materials) for the region's rate payers". They asked to "compete evenly".

That might be acceptable if Canadian infrastructure manufacturers were allowed to compete in the United States, but the various Buy American legislations attached to U.S. federal funding for municipal water infrastructure projects prevent this.

As an example, the current version of the **2013 Appropriation Bill for the Environmental Protection Agency**, which is still pending a House/Senate conference anticipated to take place this fall, contains a new Buy American provision that would be applied to all water and waste water projects funded by this measure. The amendment was unanimously approved by Republicans and Democrats alike, without one single voice of opposition.

In addition, a number of U.S. states and municipalities impose domestic content restrictions for water infrastructure projects, therefore preventing Canadian companies from participating in these projects. In many U.S. infrastructure bid documents, there is the statement "Manufacturers limited to made in U.S.A. only". All of these Buy American restrictions based on domestic content usually require that all products must be manufactured in the U.S., and that more than 51% of the components used come from the U.S.

[While many Canadian companies think that NAFTA has created open access to the U.S. markets for Canadian manufacturers, an examination of Government procurements shows this to be false. The U.S. has exempted from the coverage of NAFTA the transfer of funds from the federal to other levels](#)

of government, therefore allowing the U.S. government to impose domestic content requirements even if the actual entity buying the products is a state or municipality. It is also worth noting that only 37 states have signed on the WTO-Government Procurement Agreement, and that municipalities are not covered by any of the trade agreements signed by the US Government.

Some business associations such as Canadian Manufacturers and Exporters (CME) have called for a Canada-U.S. agreement on Government procurements which would give companies from both countries an open and fair access to each other's government procurements. The Ontario Concrete Pipe Association would support such an agreement.

Mayor Hazel McCallion of Mississauga concluded at the July 5th Peel Regional Council Meeting that, based on the arguments that she had heard, she would choose concrete pipe. She went on to state: "I do not support importing material from the United States for this line...Orion Bus has just been closed down in Mississauga. There are three bus companies in the country...Every bus that is manufactured in Canada can only be manufactured fifty per cent and it has to be shipped across the border to be finished in the United States...will not give subsidies to any city that buys buses completely manufactured in Canada...We talk about free trade, but it really isn't and it never has been, certainly as it applies to buses."

Many Councillors echoed the sentiments and arguments put forward by the Mayor of Mississauga.

[Peel Regional Councillors made the decision to protect Ontario and Canadian jobs. They passed a resolution to allow only concrete pressure pipe to be used on the Hanlan Water Project. No steel pipe from the United States will be allowed. The Ontario Concrete Pipe Association congratulates Peel Regional Council on that resolution. Municipalities and all levels of government across Canada should take notice of this informed decision.](#) 