

Canadian Consulate General



Consulat Général du Canada

Three Copley Place, Suite 400
Boston, MA 02116

February 26, 2024

Maine Joint Committee on State and Local Government
Membership
100 State House Station
Augusta, ME 04333

Dear Committee Member:

I am writing to register the Government of Canada's concerns with S.P. 812, LD 1983 – "An Act to Establish the Maine Buy American and Build Maine Act." This legislation risks inflicting damage on the prosperous and mutually beneficial Canada-Maine trade and investment relationship, while imposing undue burdens on Maine taxpayers.

Canada and Maine share longstanding cultural and familial ties that historically bind us and make us great friends, neighbors and allies. Those ties have also allowed us to develop a strong economic partnership. Canada is proud to be Maine's #1 customer, with the Pine Tree State exporting over \$1.9 billion in goods and services in 2022. Our strong bilateral economic relationship also flourishes because of the 97 Canadian—owned businesses that employ 7,700 workers in Maine.

Our valuable partnership is further evidenced by our uniquely integrated supply chains. The majority of U.S. imports from Canada (roughly 60%) are intermediate goods that feed U.S. manufacturing, go into final U.S.-made products and fuel millions of U.S. jobs. Many U.S. imports from Canada are actually U.S. goods, produced by U.S. companies, that undergo further processing in Canada. These include materials for which our industries and workforces (including binational unions) are completely integrated and regional in nature. Simply put, we make things together.


We share Maine's goal of addressing supply chain vulnerabilities and have similar concerns about the loss of manufacturing jobs due to unfair competition from non-market players. We also share economic concerns, including inflation. However, disrupting the Canada-Maine integrated production base would harm both countries and put these very goals at risk; "Buy America" legislation only imposes extra costs on U.S. companies, disadvantaging them in global competition and disrupting our longstanding supply chains.

Open access to each other's government procurement markets, however, creates jobs in our economies, opportunities for businesses on both sides of the border and better value for our government agencies. Additionally, Canadian inputs can help keep costs down, allowing infrastructure dollars to go further. Canada is also a world leader in low-carbon products and our proximity to the U.S. means our products can get to market faster – and in a greener way. For many infrastructure projects constructed in proximity to the Canada-U.S. border, Canada is simply a closer, greener source than the nearest domestic U.S. source of materials.

Canada and the U.S. have made bilateral and plurilateral commitments that are intended to provide trading partners with non-discriminatory access to each other's procurement markets. In the spirit of those commitments and our bilateral trade relationship that benefits both Maine and Canada, I strongly urge you to oppose LD 1983 or to amend in such a way that takes accounts for the uniquely integrated Canada-U.S. relationship.

Canada very much values its relationship with Maine. I look forward to working with you to further expand the robust Canada-Maine trade relationship and facilitate cross-border collaboration on a wide range of issues for the benefit of residents on both sides of the border.

Sincerely,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Bernadette Jordan
Consul General of Canada
New England