



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

The Honourable Anita Anand
Minister of Innovation, Science and Industry

March 22, 2025

Urgent Attention Required for Canadian Companies Affected by Commodity Pricing on Aluminum due to US Tariffs

Dear Minister Anand,

I am writing to you today to highlight how US tariffs are driving price gouging in the Canadian aluminum supply chain, brought to my attention by business owners in my community.

This is deeply troubling: tariffs are being priced into aluminum commodity indexes and large international mining companies are seeing windfall profits even when supplying aluminum 100% within the Canadian supply chain.

As one example, Kitchener-based VCT Group builds solar carports, using an aluminum structure. Employing 40 people in Kitchener, they supply their finished product to companies across Canada, I have been told that you have visited the company where you met President of VCT Group Brian Unrau alongside members of the team.

VCT Group purchases customized lengths of extruded aluminum from an extruding partner in Toronto. Their extruding partner buys aluminum from a smelter to produce these extruded lengths, which receive secondary processing at VCT's shop in Kitchener before shipping out to installers across Canada.

Despite material never crossing the border, the price that their partner pays for their aluminum is based on a commodity index that includes tariffs. This year, pricing has risen dramatically and in lockstep with announcements of tariffs. This methodology is in place because a large percentage of Canadian aluminum is exported to the US.

Because of this pricing method, Canadian companies (and thus Canadians) are paying for aluminum products with tariffs factored into the cost even when the finished product never crosses the border.

This drives up costs for Canadians and Canadian companies while providing huge margins to large international mining companies.

The metal for VCT Group's product is mined in Canada, smelted in Canada, extruded in Canada, processed in Canada, and installed in Canada by Canadian construction companies. **Yet that product now has the cost of tariffs included, just as if it were being exported to the US, even though no tariffs need to be paid.**

These unnecessary costs are putting companies, projects and livelihoods at risk.

In the spirit of addressing US tariffs affecting aluminum commodity prices, I urge you to do the following:

- Explore implementing a new pricing methodology - removing US-based price indices - for Canadian companies to work with suppliers to avoid tariff-associated cost increases within Canadian supply chains.
- Recommit to reducing interprovincial trade barriers to boost the Canadian economy and provide more opportunities for local businesses across the country.
- For the federal government to lead by example, along with provinces and territories, to buy Canadian first for procurement of goods and services.

While a federal election may be imminent, I urge you to implore your department to take every step necessary to protect Canadian companies like VCT Group from this outrageous price gouging, and I thank you for your service to Canadians.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Morrice".

Mike Morrice

Member of Parliament for Kitchener Centre