

February 21, 2025

Geneviève Sharkey
Chief Procurement Officer
Purchasing & Materials Management
Finance and Treasury Services
100 Queen St. West, 18th Floor
Toronto ON M5H 2N2

Sent electronically

RE: Proactive Planning for Potential U.S. Tariffs in Infrastructure Procurement

Dear Genevieve,

I am writing to urge the City of Toronto to take a proactive stance in assessing and preparing for the potential impacts of any new tariffs or trade restrictions imposed by the United States on infrastructure materials. Given the complex interplay of legal, financial, and procurement considerations, it is crucial that the City is not caught off guard if and when these tariffs materialize.

Toronto is currently experiencing a significant infrastructure and housing development. As of 2024, there have been billions of dollars committed to capital projects in the City, including:

- Over **\$33 billion** in capital investments planned over the next 10 years for transit expansion and maintenance.
- An estimated **\$14 billion** allocated for affordable housing, aiming to deliver over **40,000 new housing units** by 2030.
- Multiple water and wastewater infrastructure projects totaling **over \$3 billion** in investments over the next five years.

Given this scale of investment, even a limited tariff escalation on steel and aluminum products, could have significant cascading effects across industry, leading to increased project costs, supply chain disruptions, and potential delays. We have seen the impacts of trade policies before—previous steel and aluminum tariffs, as well as pandemic-related supply chain shortages, highlighted the importance of public owners being nimble in their procurement strategies.

The City should proactively assess options for mitigating the impacts of potential U.S. tariffs on key construction materials such as steel, aluminum, lumber, and cement. This includes:

1. **Building flexibility into procurement processes** to allow for adjustments based on changing market conditions.
2. **Engaging with industry stakeholders** to assess vulnerabilities and establish contingency plans.
3. **Advocating at the federal and provincial levels** to ensure trade policy considerations align with municipal infrastructure needs.

Toronto cannot afford to wait until tariffs are imposed to begin developing a response. The City must act now to evaluate options, consult with experts, and establish a plan to mitigate potential financial and logistical impacts before they disrupt ongoing and future infrastructure projects.

I appreciate your attention to this matter and urge you to take the necessary steps to ensure Toronto's infrastructure investments remain resilient, cost-effective, and on track despite external trade pressures. I would welcome an opportunity to discuss this further or provide industry insights if needed.

Sincerely,



Nadia Todorova
Executive Director

Copy to:

Jennifer Graham Harkness, Chief Engineer & Executive Director, City of Toronto
Simon Hoption, Director, Design & Construction Major Infrastructure, City of Toronto