

Fair Trade: Aluminum 232 Investigation Update & Call to Action



Presented by:

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Today's Speakers

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Section 232 Investigation on the Effect of Imports of Aluminum on US National Security

- Investigation initiated by President on April 27, 2017
 - Investigation conducted by the Department of Commerce subject to review/comment by other agencies
 - Public hearing, at which AEC testified, on June 23, 2017
 - Investigation must be completed within 270 days, or on or about January 22, 2018
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Specific Criteria to be Addressed

If the Secretary finds that aluminum is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, the Secretary shall recommend actions and steps that should be taken to adjust aluminum imports so that they will not threaten to impair the national security.

- (a) Consider the domestic production of aluminum needed for projected national defense requirements; the capacity of domestic industries to meet such requirements; the existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense; the requirements of growth of such industries and such supplies and services, including the investment, exploration, and development necessary to assure such growth; and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements;
 - (b) Recognize the close relation of the Nation's economic welfare to our national security, and consider the effect of foreign competition in the aluminum industry on the economic welfare of domestic industries;
 - (c) Consider any substantial unemployment, decrease in government revenues, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive aluminum imports; and
 - (d) Consider the status and likely effectiveness of efforts of the United States to negotiate a reduction in the levels of excess aluminum capacity worldwide.
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US International Trade Commission

Section 332 Fact Finding Investigation

- ITC fact finding investigation initiated prior to start of 232.
 - ITC report released June 2017.
 - Key findings:
 - The U.S. primary aluminum industry has been negatively affected by global oversupply, principally because of China's increased capacity, production and its government policies and programs. The U.S. unwrought secondary and wrought aluminum industries are at increased risk of losing competitiveness as China rapidly expands into those segments.
 - U.S. primary aluminum production has contracted while secondary and wrought capacity and production have expanded.
 - Between 2011 and 2015, U.S. production of wrought aluminum products increased by 13 percent while U.S. imports by 33 percent. Import market share increased from 19 percent in 2011 to 23 percent in 2015. China is the largest source of imports.
 - ITC report highlights that the problem is China and notes that China does not export primary aluminum.
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Current State of Play

- Administration seriously considering imposing tariffs or quotas on imports of primary aluminum – potentially exempting imports from Canada.
 - AEC has been aggressively educating both Congress and the Administration on:
 - Very dangerous impact on extruders and down stream sectors of such trade measures,
 - Highlighting the problem is Chinese overcapacity and China does not export primary, and
 - Offering an alternative proposal of tariff on aluminum content of imports from China only.
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Current State of Play

- Very good reaction to AEC value content proposal in Congress, on a bipartisan basis.
 - Reaction to proposal from Administration varies,
 - Administration does not want to hurt extruders and down stream industry, but
 - Administration wants to get US smelters up and running at capacity.
 - Administration reaction has generated a “Plan B” proposal from AEC.
 - If restrictions are imposed on imports of primary aluminum, proportional remedies need to be applied on all down stream products, including imports from Canada.
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Current Action Steps

- AEC has drafted a letter in support of value content proposal that would be signed by Members of Congress and sent to Commerce Secretary Ross.
 - Letter urges Administration to adopt value content proposal and not impose restrictions on imports of primary.
 - Letter also covers Plan B, if Administration decides to impose restrictions on primary.
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What Can You Do?



- Contact your Member of Congress and urge them to sign the letter.
 - Share information with your contacts in the industry and encourage them to engage.
 - Given tight time line need to act now.
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We Need Your Support!

- Please consider donating to the Aluminum 232 Case Legal Fund
 - Monies collected go towards legal bills
 - Your support is vital
 - Donation Form is at www.AECfairtrade.org
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Questions?

