July 24, 2017

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Re: Section 232 National Security Investigation of Imports of Aluminum

Dear Mr. President:

We write to you regarding the Presidential Memorandum to the Secretary of Commerce, dated April 27, 2017, which directs an “investigation under section 232(b)(1)(A) of the Trade Expansion Act of 1962… to determine the effects on national security of aluminum imports.”

Our industries produce nearly 96 billion beverage and food cans annually, employing tens of thousands of American workers, with the majority of these cans are made from primary aluminum. The total impact of aluminum beverage can and bottle production, along with the beer and soft drink industries, is $74.5 billion annually and directly employs over 82,000 American workers.

We appreciate your commitment to America’s security and to assuring a level playing field for American manufacturing. However, we are concerned that the scope of this investigation will include aluminum that has no national security application, such as rolled can sheet and the primary aluminum which is processed into aluminum food, beverage cans and bottles, lids and closures.

The manufacturers of aluminum food, beverage cans, and aluminum bottles use recycled aluminum, scrap aluminum and imported primary aluminum. Primary aluminum used in cansheet is not widely available in the United States because U.S. aluminum smelters choose to produce other alloys that are more profitable. As a result, primary aluminum made into rolled can sheet must be sourced from outside the United States, and American companies that use these products depend on these imports.

Any import restrictions or tariffs on these products will add hundreds of millions in costs for companies in the food and beverage industry and will detrimentally affect over 82,000 American manufacturing jobs in industries that rely on these products. Finally, we are concerned that any import restriction on these types of aluminum will result in retaliatory action by other countries on American exports – such as American scrap metal and American agricultural products.

Specifically, we ask that the following products, along with primary aluminum, be excluded from the 232 consideration:

- Aluminum cansheet bodystock - 7606.12.3045;
- Aluminum can lid stock - 7606.12.3055;
- Other aluminum cansheet - 7606.12.3090;
- Aluminum used beverage container scrap - 7602.00.0030
- Aluminum waste and scrap other than used beverage container scrap - 7602.00.0090
- Aluminum slugs: 7616.99 and 7606.91; and
- Low purity (non-military) aluminum ingot - 7601.10.6000.
We know it is not your intent to harm one industry for the benefit of another, which is why, in the interest of American workers and consumers, we urge you to exclude these materials from a tariff or any other restrictions. Thank you for your leadership in supporting American industry. We look forward to resolving this issue and making American manufacturing and our economy great again.

Sincerely,

Pamela Bailey  
President & CEO  
Grocery Manufacturers Association  
Washington, DC

Matthew Dent  
President & COO  
Buffalo Rock Company  
Birmingham, AL

Jerry Fowden  
Chief Executive Officer  
Cott Corporation  
Tampa, FL

Alexandre Amarancourt  
President  
Coca-Cola Bottling Company of Northern New England  
Bedford, NH

Robert Budway  
President  
Can Manufacturers Institute  
Washington, DC

Tim Donahue  
President & CEO  
Crown Holdings  
Philadelphia, PA

Louis S. Gimbel, 4th  
Chairman  
Constellation Beers  
Chicago, IL

Albert P. Carey  
Chief Executive Officer  
PepsiCo North America  
Purchase, NY

Tim Donahue  
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Mark Francoeur  
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Kelly Clay  
Chief Executive Officer  
Admiral Beverage Corporation  
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Paul Finney  
President & CEO  
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Sally Hargis  
Chairman of the Board  
Ozarks Coca-Cola/Dr Pepper Bottling Company  
Springfield, MO

Ralph D. Crowley, Jr.  
President & CEO  
Polar Beverages  
Worcester, MA

Steve Ford  
President & CEO  
LinPepCo Partnership  
Lincoln, NE

J. Frank Harrison, III  
Chairman & CEO  
Coca-Cola Bottling Company Consolidated  
Charlotte, NC
John Hayes
Chairman, President & CEO
Ball Corporation
Broomfield, CO

Jeff Honickman
Chief Executive Officer
Pepsi-Cola & National Brand Beverages, Ltd.
Pennsauken, NJ

Mark Hunter
President & CEO
Molson Coors Brewing Company
Milwaukee, WI

Brett Joyce
President
Rogue Ales
Portland, OR

C. James Koch
Chairman of Boston Beer Company
Sam Adams
Boston, MA

Jeffrey S. Laschen
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Great Lakes Coca-Cola
Rosemont, IL

Claude Marbach
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Beer Institute
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Susan K. Neely
President & CEO
American Beverage Association
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João Castro Neves
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Anheuser-Busch
St. Louis, MO

Bob Pease
President & CEO
Brewers Association
Washington, DC

John “Jack” E. Pelo
President & CEO
Swire Coca-Cola, USA
Draper, UT

Craig Purser
President & CEO
National Beer Wholesalers Association
Washington, DC

Troy Taylor
Chairman & CEO
Coca-Cola Beverages Florida, LLC
Tampa, FL

Larry Young
President & CEO
Dr Pepper Snapple Group
Plano, TX
The U.S. exports CANSHEET to Mexico and Canada. A tariff or import restriction on PRIMARY ALUMINUM would increase the cost of American CANSHEET and harm American exports.

The following should be exempt from any import adjustments under Section 232:
- Cansheet
- Body Stock
- Aluminum Used Beverage Container Scrap
- Aluminum Slugs
- Low Purity Ingot

Even though 98% of the CANSHEET used to make beverage cans in the U.S. is produced domestically, a modest, targeted tariff on the 2% of imported CANSHEET would incentivize a broad-based rise in aluminum prices.

Even a 1¢ increase per can -- as a result of a tariff -- will cost the can industry $960 million which could lead to lost U.S. jobs and increased costs to consumers.

66% of PRIMARY ALUMINUM imported into the US, comes from Canada. No other country accounts for more than 10%. The U.S. does NOT import primary aluminum from China.

The U.S. depends ENTIRELY on imported bauxite to produce PRIMARY ALUMINUM. It is NOT available in the U.S. in commercially viable quantities or quality.

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THE ECONOMIC IMPACT OF THE ALUMINUM CAN INDUSTRY IN THE UNITED STATES

ALUMINUM BEVERAGE CAN PRODUCTION

8,488 JOBS

ALUMINUM CAN PRODUCTION: 96 BILLION CANS

BEVERAGE | FOOD | AEROSOL

$9.2 BILLION ECONOMIC OUTPUT

BEER PRODUCTION IN CANS

$28.6 BILLION ECONOMIC OUTPUT

33,667 JOBS

BEER PRODUCED IS PACKED IN ALUMINUM BOTTLES or CANS

SOFT DRINK PRODUCTION IN CANS

$34 BILLION ECONOMIC OUTPUT

40,666 JOBS

TOTAL IMPACT OF THE BEVERAGE CAN, BEER & SOFT DRINK INDUSTRIES

$71.8 BILLION ECONOMIC OUTPUT

52 PLANTS

23 STATES

82,821 TOTAL JOBS

Source: John Dunham & Associates