



July 15, 2020

President Donald J. Trump
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

We are writing as united end-users of aluminum. We know the Administration is considering whether to end the Section 232 country exemption for Canadian aluminum imports. Before the Administration takes any action, we want you to know how harmful a tariff or quota on Canadian aluminum would be for the American manufacturers, workers, and downstream industries our associations represent.

We recognize that your Administration wants to support U.S. smelters, especially in the face of Chinese aluminum overproduction. A tariff or quota on Canadian aluminum will not help with that problem. All a tariff or quota on Canadian aluminum will do is make all the aluminum in this country significantly more expensive.

When tariffs first went into effect, some thought foreign smelters would pay the tariffs and end-users in this country would feel little or no effect. That is not how things turned out. All users of aluminum in the United States - from large enterprises to thousands of small businesses - pay a tariffed price for all the aluminum they purchase. When a tariff actually applies, sellers add a tariff surcharge onto the bill. Even when a tariff does not apply, sellers charge aluminum users a premium that includes a tariff on all the aluminum they buy. In some cases, aluminum users are paying a tariff twice; once as a surcharge and again as part of the premium. In other cases, they pay a premium with the tariff on metal, such as domestic scrap, that is actually exempt from the tariff. This money goes to the seller, not the Treasury, and payment of the premium is non-negotiable.

Although it is bad enough that we are paying tariffs on non-tariffed aluminum, things will be worse if the United States imposes a quota or tariff on Canadian aluminum. The premium with the tariff currently stands at 9 cents per pound of metal. Leading aluminum experts predict the premium will jump to 14-16 cents per pound if the U.S. imposes a tariff or quota on aluminum from Canada. Although a tariff may sound like a good way to help U.S. smelters in the short-

term, it comes at a steep price for all U.S. manufacturers who purchase aluminum. This will create a situation in which American manufacturers pay the tariff twice – once as a tariff surcharge and second as part of a much higher premium.

We acknowledge the Administration's sincere intention to help U.S. smelters. However, we implore you to consider the financially disastrous impact a tariff or quota on Canadian aluminum will have on American manufacturers of all sizes, many of whom are already struggling due to the effects that COVID-19 is having on the economy.

We ask you to work with us to explore more effective, less harmful ways to address these problems in a way that benefits both American end-users and smelters.

Sincerely,

American Association of Exporters and Importers
American Beverage Association
Auto Care Association
Beer Institute
Brewers Association
Coalition of American Metal Manufacturers and Users
Consumer Brands Association
Flexible Packaging Association
National Association of Trailer Manufacturers
National Customs Brokers and Forwarders Association of America, Inc.
National Foreign Trade Council
National Retail Federation
National Tooling and Machining Association
North American Die Casting Association
Precision Machined Products Association
Precision Metalforming Association
Promotional Products Association International
SNAC International