



January 31, 2023

The Honorable Lisa Wang
Assistant Secretary for Enforcement and Compliance
International Trade Administration
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

Dear Secretary Wang:

As you are aware, the Department of Commerce (DOC) self-initiated a circumvention case on aluminum foil imports from South Korea and Thailand. We are writing to convey the serious concerns our member companies have about this action. Namely, duties being placed on aluminum foil from these countries will result in the loss of U.S. jobs, as offshore packaging manufacturers will not be subjected to the higher costs; the increase of prices to consumers for products and services they use every day at a time of unprecedented inflation; and the scarcity of these products given an extraordinarily constrained supply chain, as more and more of these products will be produced outside of the U.S.

Our members make products and packaging that people use daily. Aluminum foil is used as a barrier to provide sterility and shelf-stability for a host of food, beverage, nutraceuticals, pharmaceuticals, and medical devices. This includes food and beverage applications such as yogurt, spices, juices, pet food, and candy; health applications, such as over the counter drugs, supplements, and COVID-19 testing kits; medical device packaging, such as vaccinations, absorbable sutures, and surgery kits. They also manufacture the systems and packaging for institutional food delivery for hospitals, universities, and retail. And, aluminum foil is used for the delivery of Meals, Ready-to-Eat, for the U.S. military. When it comes to packaging for medical devices, food, and health care, sterility is critical – literally a matter of life and death. There is no ideal substitution for the barrier protection aluminum foil provides. And, unfortunately, this aluminum foil is not made in the quantity or quality needed in the U.S. Thus, packaging and product manufacturers have no choice but to import it.

This has not changed in almost 5 years since duties were imposed on aluminum foil from China. Adding Thailand and South Korea to the list of countries with duties on foil will not solve the problem of the lack of U.S. investment in this segment, so will not benefit the U.S. aluminum industry, but will greatly damage the U.S. flexible packaging industry as well as the product manufacturers who utilize our packaging. An increase in costs of this foil, if duties are imposed, would mean higher costs to these companies and their customers and could mean the loss of jobs to offshore competitors. While vital, aluminum foil is generally only one substrate of many that go into packaging. Thus, moving aluminum foil packaging offshore will also result in the loss of jobs for paper, film, adhesives, fitments, inks, and other packaging components.

In addition to job loss, there are the unintended consequences to the U.S. supply of food and medical goods and services should the DOC move forward with new duties, and ultimately the higher costs to consumers for essential goods and services. To prevent these outcomes, DOC needs to carefully examine the evidence presented by FPA and make a determination of no circumvention. If any circumvention is found, duties should not be imposed, and remedies must be specifically tailored to any bad actors, and not imposed countrywide. In addition, DOC must provide qualifications for company certification going forward – the Administration cannot continue to cut off supply to this key substrate by making it cost-prohibitive as it is not available domestically and not interchangeable with other substrates for a myriad of merchandise and services.

Thank you for your prompt attention to this matter. We would be happy to provide you with more information and answer any questions you have. Please do not hesitate to contact any of the undersigned.

Sincerely,

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The Flexible Packaging Association represents suppliers to and manufacturers of flexible packaging. Flexible packaging is the second largest packaging segment in the country and number one globally. The industry represents \$39 billion in annual sales and employs approximately 75,000 people in the U.S. Many of these packages hold products that consumers use or purchase every day, whether in grocery stores, pet stores, retail stores, or restaurants. Products in flexible packaging are also found in doctors' offices, hospitals, and pharmacies. Mail and e-commerce merchandise also use a host of flexible packaging options.

The American Institute for Packaging and the Environment (AMERIPEN) is a coalition of stakeholders dedicated to improving packaging and the environment. We are the only material-neutral packaging association in the United States. Our membership represents the entire packaging supply chain, including materials suppliers, packaging producers, consumer packaged goods companies, and end-of-life materials managers. We focus on science and data to define and support our public policy positions based on rigorous research rooted in our commitment to achieve sustainable packaging and effective and efficient recycling policies. The U.S. packaging industry contributes \$537.91 billion in total economic output to the national economy and is responsible for nearly 1.7 million jobs. These workers earn over

\$117.73 billion in wages and benefits, and members of the industry and their employees pay \$43.46 billion in direct federal, state, and local taxes.

The Consumer Brands Association champions the industry whose products Americans depend on every day, representing nearly 2,000 iconic brands. From household and personal care to food and beverage products, the consumer packaged goods industry plays a vital role in powering the U.S. economy, contributing \$2 trillion to U.S. GDP and supporting more than 20 million American jobs.

The National Confectioners Association is the leading trade organization for the U.S. confectionery industry, which generates \$42 billion in retail sales each year. NCA advocates for an environment that enables candy makers to thrive and works to ensure that chocolate, candy, gum, and mints are celebrated for their contributions to culture, society, the economy, and everyday moments of joy. The industry employs nearly 58,000 workers in more than 1,600 manufacturing facilities across all 50 states and supports an additional 635,000 jobs in related fields. The U.S. confectionery industry has made a commitment to increasing transparency, providing more portion guidance options, and educating consumers about the role of confectionery in a happy, balanced lifestyle.

The Retail Bakers of America (RBA) was founded in 1918. The 501(c)(6) not-for-profit trade association, is committed to the success of the retail baking industry. Together with their members, they create industry standards through professional certification, industry research, and school programs. The RBA fosters a community of retail bakeries providing a forum for exchanging industry and business information and networking, learning opportunities, and mentoring among bakers, future and existing.

SNAC International, founded in 1937 and formerly the Snack Food Association, is the leading international trade association for the snack industry representing over 400 companies worldwide, including suppliers, marketers and manufacturers. Upon its three pillars of education, advocacy, and networking, SNAC is committed to connecting the snack industry to create growth and opportunity.