

February 1, 2018



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 are writing regarding the report you received from the Department of Commerce resulting from its investigation examining the national security impacts of aluminum imports.

We represent industries that are major consumers of aluminum, specifically aluminum cansheet, for which primary aluminum and scrap are key inputs. Together, the millions of Americans who are employed by our industries rely on 96 billion cans that are produced each year. As you consider whether to limit aluminum imports, we respectfully request that you refrain from imposing tariffs or import restrictions on cansheet, primary aluminum, and scrap.

Tariffs or quotas on imports of primary aluminum would have a major negative impact on downstream U.S. manufacturers like food and beverage companies, because of the number and variety of products packaged in aluminum cans and aluminum bottles. A tariff or quota will immediately disadvantage these domestic businesses since foreign competitors would have the advantage of not paying an artificially inflated raw cost. We estimate a tariff of 10 percent on this aluminum would cost beer and beverage producers \$256.3 million, a 20 percent tariff would cost \$512.5 million and a 30 percent tariff would run \$768.8 million.

While we appreciate your concern about the viability of the domestic aluminum smelting industry, tariffs or import restrictions will have the unintended consequence of harming many healthy downstream U.S. manufacturing industries, like ours, that are substantially larger in size and economic contribution. In sum, tariffs or import restrictions on aluminum will hurt the U.S. economy more than they will help U.S. smelters.

We know your administration has been focused on growing our domestic economy, and we applaud you for your efforts. However, we want to ensure that trade actions do not have unintended consequences. We hope that you will exercise caution, and exempt primary aluminum, cansheet, and scrap from any quotas or import restrictions.

Sincerely,

Robert Budway
President
Can Manufacturers Institute
Washington, DC

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

Ronald den Elzen
President & CEO
Heineken USA
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Jim Dinkins
President Coca-Cola North America
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Tim Donahue
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John Hayes
Chairman, President & CEO
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President & CEO
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Craig Purser
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