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To Whom It May Concern:

This comment is filed on behalf of the Beer Institute, a trade association representing U.S. brewers and beer importers – the supplier tier of the beer industry which, in total, represents 1.9% of our nation’s gross domestic product. Thank you for this opportunity to provide the U.S. beer industry’s views on S&P Global Platts’s proposal to publish an assessment for “the value of [a] ‘duty-unpaid’ US Midwest aluminum P1020 premium, as well as a daily calculated duty value.”

A majority of the beer volume sold in the United States is packaged in aluminum cans and aluminum bottles, making aluminum the largest commodity risk for the industry. As tariffs are taxes that hurt the economic activities and jobs our industry supports, it concerns us when anyone applies or imposes tariffs inappropriately. For this reason, it was disappointing that S&P Global Platts chose to incorporate a Section 232 tariff on aluminum into the US Midwest aluminum P1020 premium before any tariff under Section 232 actually went into effect. Equally disappointing was the decision to disregard the substantial amount of Canadian, Mexican, EU and US-based metal exempted from the Section 232 tariffs. S&P Global Platts disregarded the Section 232 exemptions by:

- (1) publishing only a duty-paid premium for North America; and
- (2) reporting the duty-paid premium as if all P1020 metal throughout the world were subject to Section 232 tariffs.

Both decisions penalized end users while providing windfalls for sellers.

The Beer Institute acknowledges its criticism of S&P Global Platts premium reporting both in terms of transparency and methodology. Unfortunately, the current proposal to publish an assessment for the value of "duty-unpaid" US Midwest aluminum P1020 premium, as well as a daily calculated duty value does not feel like an effort to increase transparency or bring about meaningful change in methodology. The proposal was only published to “subscribers” and even then, with only a short turnaround time for comments. Likewise, the proposal states that S&P Global Platts will not update daily calculated duty values to become full assessments that reflect transactions, bids, offers, and other relevant market data unless “the market evolves so that transactions do occur on a duty-unpaid Midwest basis.” This seems like an invitation for sellers to continue to insist on a duty-paid premium, so they may receive a windfall for metal that should never be subject to tariff. This statement also

ignores the fact that competitors of S&P Global Platts have for some time published a “duty-unpaid” premium. The market has already evolved such that S&P Global Platts should publish a “duty-unpaid” US Midwest aluminum P1020 premium immediately.

Immediate publication of a "duty-unpaid" US Midwest aluminum P1020 premium is important to ensure that U.S. manufacturers are not overcharged, as they currently are, for aluminum that is clearly outside the scope of the intended tariff. These items include domestically produced metal, metal stored prior to the tariff proclamation, and other exempt metal, such as metal products made from recycled metal. This would allow for a more accurate and fair valuing of cansheet made primarily with recycled content and relatively little P1020 product.

S&P Global Platts should also adjust the duty-paid US Midwest aluminum P1020 premium so that it excludes the universe of duty-unpaid metal and continue this adjustment accordingly as the Trump Administration exempts more metal from the Section 232 tariffs. The Beer Institute also recommends that S&P Global Platts review and revise downward previously published 2017-2018 US Midwest aluminum P1020 premium rates for:

(a) periods when tariffs were not actually in effect but S&P Global Platts reported an increased premium based on tariff speculation, and

(b) amounts attributable to metal from any country that was or is exempt from tariffs for any period.

In particular, premiums published during April and May 2018 should be corrected and republished to account for country exemptions applying to large amounts of metal from Canada, Mexico, the EU, the US, Australia, Brazil, and Argentina.

Finally, the Beer Institute respectfully requests that S&P Global Platts republish its proposal with greater detail regarding methodology and implementation while broadening the publication beyond a subscriber notice on the S&P Global Platts website. The Beer Institute encourages S&P Global Platts to also publish more broadly information and details about its planned public forum to “discuss all issues related to its US aluminum assessments.”

Respectfully submitted,

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