Section 232 Investigation on the Effect of Imports of Aluminum on U.S. National Security

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Presidential Memorandum for the Secretary of Commerce

THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE
April 27, 2017

MEMORANDUM FOR THE SECRETARY OF COMMERCE
SUBJECT: Aluminum Imports and Threats to National Security

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Trade Expansion Act of 1962, it is hereby directed as follows:

Section 1. Policy. Core industries such as steel, aluminum, vehicles, aircraft, shipbuilding, and semiconductors are critical elements of our manufacturing and defense industrial bases, which we must defend against unfair trade practices and other abuses. In the case of aluminum, both the United States and global markets for aluminum products are distorted by large volumes of excess capacity -- much of which results from foreign government subsidies and other unfair practices. Efforts to work with other countries to reduce excess global overcapacity have not succeeded.

The artificially low prices caused by excess capacity and unfairly traded imports suppress profits in the American aluminum industry, which discourages long-term investment in the industry and hinders efforts by American aluminum producers to research and develop new and better grades of aluminum. If the present situation continues, it may place the American aluminum industry at risk by undermining the ability of American aluminum producers to continue investment, research, and development, and by reducing or eliminating the jobs needed to maintain a pool of skilled workers essential for the continued development of advanced aluminum manufacturing.

Sec. 2. Investigation. The Secretary of Commerce (Secretary) has initiated an investigation under section 232(b)(1)(A) of the Trade Expansion Act of 1962 (the "Act") (19 U.S.C. 1862(b)(1)(A)) to determine the effects on national security of aluminum imports. In conducting this investigation, and in accordance with section 232(d) of the Act (19 U.S.C. 1862(d)), the Secretary shall, as appropriate and consistent with law:

(a) consider the domestic production of aluminum needed for projected national defense requirements; the capacity of domestic industries to meet such requirements; the existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense; the requirements of growth of such industries and such supplies and services, including the investment, exploration, and development
necessary to assure such growth; and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements;

(b) recognize the close relation of the Nation's economic welfare to our national security, and consider the effect of foreign competition in the aluminum industry on the economic welfare of domestic industries;

(c) consider any substantial unemployment, decrease in government revenues, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive aluminum imports; and

(d) consider the status and likely effectiveness of efforts of the United States to negotiate a reduction in the levels of excess aluminum capacity worldwide.

Sec. 3. Submit Report and Provide Recommendations. (a) The Secretary shall, consistent with applicable law, proceed expeditiously in conducting the investigation described in section 2 of this memorandum and shall submit to the President a report on the findings.

(b) Pursuant to section 232(b) of the Act (19 U.S.C. 1862(b)), if the Secretary finds that aluminum is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, the Secretary shall, in the report submitted under subsection (a) of this section, recommend actions and steps that should be taken to adjust aluminum imports so that they will not threaten to impair the national security.

Sec. 4. General Provisions. (a) Nothing in this memorandum shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This memorandum shall be implemented consistent with applicable law and subject to the availability of appropriations.
Remarks by Secretary Wilbur Ross at the White House  
(04-27-2017)

REMARKS:

Thank you, Mr. President, for your leadership on this and so many other important issues.

I am proud to stand here today and say that, under your leadership, we are restoring the primacy of American national security, American workers, and American businesses.

As aluminum imports continue to rise, an investigation of the national security impact of those imports is warranted. High-strength aluminum alloys have become among the most commonly used materials to make military aircraft and aluminum armor plate is used to protect against explosives and other threats.

U.S. imports of aluminum increased by 18% in 2016 compared with those in 2015, while at the same time U.S. production decreased. Eight U.S. based smelters have either closed or curbed production since 2015. Only two U.S. smelters remain fully operational in the United States today. U.S. imports of semi-fabricated aluminum products from China grew 183 percent between 2012 through 2015.

The Commerce Department is currently investigating whether Chinese exporters of aluminum foil have received government subsidies and sold these products at below the cost of production in the United States. In 2016, imports of aluminum foil from China were valued at an estimated $389 million.

With our investigation launched last night, the federal government
will be proactive, as with the 232 steel imports investigation begun last week, and comprehensively review aluminum imports.

This investigation will determine whether aluminum imports make us less safe in a world that is increasingly fraught with geopolitical tensions.

The volume of aluminum imports and decrease in U.S. aluminum capacity makes it clear that global aluminum overcapacity has an impact on our economy, but for the first time we will examine its impact on our national security.

We will conduct this investigation thoroughly and expeditiously so that we can fully enforce our trade laws and defend this country against those who would do us harm.

I look forward to the completion of this investigation so that I can report not just the findings, but also any concrete recommendations that we may deem appropriate.

Thank you again Mr. President.

Fact Sheet: President Donald J. Trump Stands up for American-Made Aluminum

PRESIDENT DONALD J. TRUMP STANDS UP FOR AMERICAN-MADE ALUMINUM

AMERICA’S ALUMINUM INDUSTRY IN TROUBLE: While American manufacturing of aluminum suffers and shuts down, foreign imports continue to pour into our country.

- In 2016, aluminum imports into the United States increased by 18 percent while American production fell by 47 percent.
- Of the eight aluminum smelters based in the United States at the beginning of 2016, seven have either shutdown, reduced production, or are idled.
- From 2012 to 2015, imports of semi-fabricated aluminum from China grew by 183 percent.
- Imports of aluminum foil from China have grown from zero percent of the United States market in 2004 to 22 percent today.
Employment in the aluminum industry fell by nearly 13 percent from 2015 to 2016.

NEEDED STEPS TO PUT AMERICA'S ALUMINUM INDUSTRY FIRST: President Trump is acting to make sure America's aluminum industry comes first by prioritizing an investigation into whether aluminum imports impair the national security.

- Today, President Trump signed a Presidential Memorandum prioritizing an investigation previously initiated by the Secretary of Commerce into whether aluminum imports threaten the economic and national security of the United States.
  - Aluminum is critical for U.S. national defense, from Army ground vehicles and Air Force jets to Navy warships.
  - The investigation is being conducted under Section 232 of the Trade Expansion Act of 1962.

- By law the investigation must be concluded and a report submitted within 270 days.
- The Secretary of Commerce's investigation into aluminum imports will determine what effect they have on economic and national security, including by investigating:
  - Whether aluminum imports impair the ability of the domestic aluminum industry to meet our national defense needs.
  - Whether aluminum imports have any substantial effects on employment or government revenue.
  - Whether aluminum imports weaken our internal economy, recognizing the close relationship between economic welfare and national security.

- If aluminum imports are found to impair the national security of the United States, President Trump will have 90 days to determine what action should be taken to remedy that harm.

KEEPING HIS PROMISE: President Trump promised the American people he would examine aluminum imports into the United States and revitalize the aluminum industry.

- Then-Candidate Trump promised that "we are going to put American steel and aluminum back into the backbone of our country."
Notice Request for Public Comments and Public Hearing on Section 232 National Security Investigation of Imports of Aluminum

DEPARTMENT OF COMMERCE
Bureau of Industry and Security

Notice Request for Public Comments and Public Hearing on Section 232 National Security Investigation of Imports of Aluminum


ACTIONS: Notice of request for public comments and public hearing.

SUMMARY: The Secretary of Commerce initiated an investigation to determine the effects on the national security of imports of aluminum. This investigation has been initiated under section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862).

Interested parties are invited to submit written comments, data, analyses, or other information pertinent to the investigation to the Department of Commerce's Bureau of Industry and Security.

The Department of Commerce will also hold a public hearing on the investigation on June 22, 2017, in Washington, D.C.

This notice identifies the issues on which the Department is interested in obtaining the public's views. It also sets forth the procedures for public participation in the hearing.

DATES: Comments may be submitted at any time but must be received by June 29, 2017.

The hearing will be held on June 22, 2017, at the U.S. Department of Commerce auditorium, 1401 Constitution Avenue, NW, Washington, DC 20230. The hearing will begin at 10:00 am local time and conclude at 1:00 pm local time.

ADDRESSES:
Written comments: Send written comments to Brad Botwin, Director, Industrial Studies, Office of Technology Evaluation, Bureau of Industry and Security, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Room 1093, Washington, DC 20230 or by email to Aluminum232@bis.doc.gov.

Public hearing: Send requests to speak and written summaries of the oral presentations to Brad Botwin, Director, Industrial Studies, Office of Technology Evaluation, Bureau of Industry and Security, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Room 1093, Washington, DC 20230 or by email to Aluminum232@bis.doc.gov, by June 15, 2017. Any person, whether presenting or not, may submit a written statement through June 29, 2017 - seven days after the hearing date.

FOR FURTHER INFORMATION, CONTACT:
Brad Botwin, Director, Industrial Studies, Office of Technology Evaluation, Bureau of Industry and Security, U.S. Department of Commerce, (202) 482-4060, brad.botwin@bis.doc.gov. For more information about the section 232 program, including the regulations and the text of previous investigations, see www.bis.doc.gov/232.

SUPPLEMENTARY INFORMATION:

Background
On April 26, 2017, the Secretary of Commerce initiated an investigation under section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), to determine the effects on the national security of imports of aluminum. On April 27, 2017, the President signed a memorandum directing the Secretary of Commerce ("Secretary") to proceed expeditiously in conducting his investigation and submit a report on his findings to the President. The President further directed that if the Secretary finds that aluminum is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, the Secretary shall recommend actions and steps that should be taken to adjust aluminum imports so that they will not threaten to impair the national security.

Written Comments
This investigation is being undertaken in accordance with part 705 of the National Security Industrial Base Regulations (15 CPR parts 700 to 709) ("NSIBR"). Interested parties are invited to submit written comments, data, analyses, or information pertinent to this investigation to the Office of Technology Evaluation, U.S.
Department of Commerce ("the Department"), no later than June 29, 2017.

The Department is particularly interested in comments and information directed to the criteria listed in § 705.4 of the regulations as they affect national security, including the following: (a) Quantity of or other circumstances related to the importation of aluminum; (b) Domestic production and productive capacity needed for aluminum to meet projected national defense requirements; (c) Existing and anticipated availability of human resources, products, raw materials, production equipment, and facilities to produce aluminum; (d) Growth requirements of the aluminum industry to meet national defense requirements and/or requirements to assure such growth; (e) The impact of foreign competition on the economic welfare of the aluminum industry; (f) The displacement of any domestic aluminum causing substantial unemployment, decrease in the revenues of government, loss of investment or specialized skills and productive capacity, or other serious effects; (g) Relevant factors that are causing or will cause a weakening of our national economy; and (h) Any other relevant factors.

Material that is business confidential information will be exempted from public disclosure as provided for by § 705.6 of the regulations. Anyone submitting business confidential information should clearly identify the business confidential portion of the submission, then file a statement justifying nondisclosure and referring to the specific legal authority claimed, and provide a non-confidential submission which can be placed in the public file. Communications from agencies of the United States Government will not be made available for public inspection. Please note that the submission of comments for presentation at the public hearing is separate from the request for written comments.

The Bureau of Industry and Security does not maintain a separate public inspection facility. Requesters should first view the Bureau's web page, which can be found at https://efoia.bis.doc.gov/ (see "Electronic FOIA" heading). If requesters cannot access the website, they may call (202) 482-0795 for assistance. The records related to this assessment are made accessible in accordance with the regulations published in part 4 of title 15 of the Code of Federal Regulations (15 CFR 4.1 et seq.).

Public Hearing
Consistent with the interest of the U.S. Department of Commerce in soliciting public comments on issues affecting U.S. industry and national security, the Department is holding a public hearing as part
of the investigation. The hearing will assist the Department in determining whether imports of aluminum threaten to impair the national security and in recommending remedies if such a threat is found to exist. Public comments at the hearing should address the criteria listed in § 705.4 of the NSIBR as they affect national security described above. The hearing will be held on June 22, 2017, at the U.S. Department of Commerce auditorium, 1401 Constitution Avenue, NW, Washington, DC 20230. The hearing will begin at 10:00 am local time and conclude at 1:00 pm local time.

Procedure for Requesting Participation
The Department encourages interested public participants to present their views orally at the hearing. Any person wishing to make an oral presentation at the hearing must submit a written request to the Department of Commerce at the address indicated in the ADDRESSES section of this notice. The request to participate in the hearing must be accompanied by a copy of a summary of the oral presentation. The written request and summary must be received by the Department no later than Thursday, June 15, 2017. In addition, the request to speak should contain (1) the name and address of the person requesting to make a presentation; (2) a daytime phone number where the person who would be making the oral presentation may be contacted before the hearing; (3) the organization or company they represent; and (4) an e-mail address.

Please note that the submission of comments for presentation at the public hearing is separate from the request for written comments. Since it may be necessary to limit the number of persons making presentations, the written request to participate in the public hearing should describe the individual's interest in the hearing and, where appropriate, explain why the individual is a proper representative of a group or class of persons that has such an interest. If all interested parties cannot be accommodated at the hearing, the summaries of the oral presentations will be used to allocate speaking time and to ensure that a full range of comments is heard.

Each person selected to make a presentation will be notified by the Department of Commerce no later than 8:00 pm Eastern Daylight Time on Friday, June 16, 2017. The Department will arrange the presentation times for the speakers. Persons selected to be heard are requested to bring 20 copies of their oral presentation and of all exhibits to the hearing site on the day of the hearing. All such material must be of a size consistent with ease of handling, transportation, and filing. While large exhibits may be used during a hearing, copies of such exhibits in reduced size must be provided.
to the panel. Written submissions by persons not selected to make presentations will be made part of the public record of the proceeding. Any person, whether presenting or not, may submit a written statement through June 29, 2017 - seven days after the hearing date. Confidential business information may not be submitted at a public hearing. In the event confidential business information is submitted, it will be handled according to the same procedures applicable to such information provided in the course of an investigation. See 15 CFR 705.6. The hearing will be recorded.

Copies of the requests to participate in the public hearing and the transcript of the hearing will be maintained on the Bureau of Industry and Security's web page, which can be found at http://www.bis.doc.gov (see Freedom of Information Act (FOIA) link at the bottom of the page). If the requesters cannot access the website, they may call (202) 482-0795 for assistance. The records related to this assessment are made accessible in accordance with the regulations published in part 4 of title 15 of the Code of Federal Regulations (15 CFR 4.1 et seq.).

Conduct of the Hearing
The Department reserves the right to select the persons to be heard at the hearing, to schedule their respective presentations, and to establish the procedures governing the conduct of the hearing. Each speaker will be limited to 10 minutes, and comments must be directly related to the criteria listed in 15 CFR 705.4 of the regulations. Attendees will be seated on a first-come, first-served basis.

A Department official will be designated to preside at the hearing. The presiding officer shall determine all procedural matters during the hearing. Representatives from the Department, and other U.S. Government agencies as appropriate, will make up the hearing panel. This will be a fact-finding proceeding; it will not be a judicial or evidentiary-type hearing. Only members of the hearing panel may ask questions, and there will be no cross-examination of persons presenting statements. However, questions submitted to the presiding officer in writing may, at the discretion of the presiding officer, be posed to the presenter. No formal rules of evidence will apply to the hearing.

Any further procedural rules for the proper conduct of the hearing will be announced by the presiding officer.

Special Accommodations
Frequently Asked Questions: Section 232 Investigations: The Effect of Aluminum Imports on the National Security

1. What is the purpose of a Section 232 Investigation?

Section 232 investigations are initiated to determine the effects of imports of any articles on U.S. national security. In this case, the Commerce Department is determining the effect of aluminum imports on the national security.

2. What authority is a Section 232 investigation conducted under?

Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. §1862) authorizes the Secretary of Commerce to conduct these comprehensive investigations.

3. Who initiates a Section 232 investigation?

The Secretary of Commerce initiated the Section 232 investigation on aluminum imports on April 26, 2017. Investigations may also be initiated based on an application from an interested party (industry, Congress) or a request from the head of any department or agency.

4. Why has the Secretary of Commerce initiated a Section 232 on aluminum?

The Secretary initiated the investigation on aluminum imports in light of the large volumes of excess global aluminum production and capacity – much of which results from foreign government
subsidies and other unfair practices – which distort the U.S. and global aluminum markets. Aluminum is used in a variety of commercial, infrastructure and defense applications.

U.S. imports of aluminum increased by 18% in 2016 compared with those in 2015, while at the same time U.S. production decreased. Eight U.S. based smelters have either closed or curbed production since 2015. Only two U.S. smelters remain fully operational in the United States today. U.S. imports of semi-fabricated aluminum products from China grew 183 percent between 2012 through 2015. Chinese imports of aluminum grew from zero percent of the total U.S. aluminum foil market in 2004 to 22 percent of the market today.

U.S. Government attempts to address foreign government subsidies and other unfair practices have not ended this distortion. Any existing or potential antidumping and countervailing duty orders on aluminum products that may result from antidumping and countervailing duty investigations, given their specific nature, may not substantially alleviate the negative effects that unfairly traded imports have had on the United States aluminum industry as a whole.

The United States has encouraged other countries to reduce and address the underlying causes of excess capacity in the aluminum market. To date, these efforts have had little practical effect, and have not substantially alleviated the negative effect global excess capacity on the United States aluminum industry.

5. What does a Section 232 investigation consider?

Section 232 investigations include consideration of:

- domestic production needed for projected national defense requirements;
- domestic industry’s capacity to meet those requirements;
- related human and material resources;
- the importation of goods in terms of their quantities and use;
- the close relation of national economic welfare to U.S. national security;
- loss of skills or investment, substantial unemployment and decrease in government revenue; and
- the impact of foreign competition on specific domestic industries and the impact of displacement of any domestic products by excessive imports.

6. How long does a Section 232 investigation take and who
By law, the Secretary of Commerce has 270 days to present the Department’s findings and recommendations to the President. Section 232 mandates that the Secretary provide notice to the Secretary of Defense upon initiation of the investigation. The Secretary also consults with the Secretary of Defense regarding methodological and policy questions raised in the investigation and can seek information and advice from other government agencies.

7. What actions does the statute allow the President to take?

Within 90 days after receiving the report from the Secretary, if the Secretary finds that an import threatens to impair U.S. national security, the President shall determine whether he concurs with the Department’s finding and, if so, the nature and duration of the action that must be taken to “adjust” the imports of the article and its derivatives so that such imports will not threaten to impair the national security. Under Section 232, the President has broad power to impose trade remedies such as tariffs and quotas.

8. Where can I go to find more information about Section 232 investigations?

Since 1980, Commerce has conducted fourteen Section 232 investigations. Prior to 1980, the Department of the Treasury conducted Section 232 investigations.

For more information about Section 232 investigations, please visit: www.bis.doc.gov/232
Today, President Donald J. Trump signed a presidential memorandum calling on Secretary Wilbur Ross to prioritize a Department of Commerce investigation to the effects of...