**WITA Opening Statement**

Thank you for having me this morning. As you know, I am head of policy and counsel to the American Primary Aluminum Association. We are grateful to be able to share our views with you today.

I would like to begin by discussing a recent op. ed. by Michael Bless’ Century Aluminum’s CEO and APAA member. In the op. ed., Mr. Bless correctly points out that the pandemic has shown that the U.S. must maintain production in critical industries like primary aluminum. In a national crisis, the U.S. cannot be wholly dependent on foreign production, even from “allies,” for critical materials. For high purity aluminum in particular, the United States has the only available production capacity. But smelters cannot survive making high purity aluminum alone: they must make standard-grade aluminum, in order to achieve the right economies of scale.

Economic security is national security and the primary aluminum industry in this country supports both national defense and critical infrastructure. This is not controversial and has been the view of the last two administrations.

You need to look no further than yesterday’s Washington Post report on the Pentagon’s analysis of China’s efforts to expand its nuclear and missile forces. The Pentagon report notes that “China’s goal is to build a military that is equal to and in many ways superior to the United States military.” So, while our adversaries are securing key resources to expand manufacturing to support a massive military buildup, the U.S. has seen its manufacturing capabilities steadily hollowed out. In order to meet these growing threats and future crises, the United States must have a sustainable and viable primary aluminum industry.

Or allies are also economic competitors and unfortunately, at times, certain economic policies pursued by allies can have negative effects on critical U.S. industries.

The aluminum excess capacity crisis is an example of that. The capacity crisis is a global problem driven by Governmental interference and subsidization both inside and outside of China. The OECD Aluminum report documents the significant adverse effects these subsidies have had on the aluminum industries in Europe and the United States where significant subsidies are not provided. This global race to the bottom has allowed producers to exploit the subsidies provided by various governments at the expense of U.S. production. Left unchecked, there would no longer be a primary aluminum industry in the United States.

Because aluminum is a globally traded commodity, the adverse effects of the excess capacity cannot be confined to a single country or actor, as such relief must be broad covering all import sources. In fact, the Aluminum Association recognized as much when it filed an 18-country trade remedy case after having received relief from Chinese imports only a year earlier. Just like the downstream producers request for broad comprehensive relief, the primary end of the value chain needs the same broad comprehensive relief.

The relief provided by the 232 tariffs has allowed the U.S. primary aluminum industry to recover and put it on a more sustainable footing. Once the tariffs were put into place, U.S. primary aluminum production increased by over 50% from 2017 to 2019.

The recovery unfortunately was short lived. Following the exclusion of Canada from the program, imports of unalloyed primary aluminum from Canada surged almost immediately. The period from June 2019 to July 2020 saw average monthly Canadian import volumes of unalloyed primary aluminum - specifically at HTS 7601.10 - at substantially higher levels than the average monthly import volume for any other period before the tariffs were imposed. Ultimately, imports of unalloyed Canadian primary doubled over the previous 12 months resulted in a 57% collapse in the MWP costing 700 machinist union workers their jobs in Washington State.

True allies respect agreements. The agreement between the U.S. and Canada to lift the aluminum tariffs and pass USMCA allowed for the re-imposition of tariffs if a surge undermined the relief. A surge in unalloyed primary clearly occurred, the MWP collapsed, and after consultations the tariffs were re-imposed.

If no action was taken the MWP would have continued its slide and the other smelters would have been forced to shutter. Instead, the relief provided has returned the industry to sustainability where the industry can now make the investments necessary to remain competitive into the future.

Thank you again for having me, I am happy to answer any questions that you may have.