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Statement

Commerce Department Recommendation to President Trump on Aluminum and Steel Tariffs
(Attribute to CMI President Robert Budway)

WASHINGTON, D.C. — February 16, 2018 — The Can Manufacturers Institute (CMI) is disappointed that the U.S. Commerce Department did not recommend to President Trump the exclusion of aluminum can sheets, aluminum ingot and tinplate steel from tariffs and other import restrictions.

Aluminum and steel play a vital role in nourishing American families and in employing tens of thousands of workers across the country. Tariff or trade restrictions will have severe economic impact on the can manufacturing industry and its employees. This recommendation could have a ripple across the supply chain.

Like most industries, can makers depend on predictability in supply and price. If the aluminum supply is hindered by unnecessary tariffs or trade restrictions, it could lead to supply inefficiencies and affect product availability. Meanwhile, over the past five years, aluminum can manufacturers invested well over \$1 billion in U.S. manufacturing facilities. Even a small tariff will result in greater uncertainty about prices, supply, financing and would dramatically curtail investment and hiring in the United States.

U.S. tinplate steel production does not meet domestic demand. In 2016, U.S. can industry demand was 2.1 million tons, while domestic tinplate production was 1.2 million tons; only 58 percent of domestic demand can be met by U.S. tinplate producers.

The can manufacturing industry provides high paying jobs across the country in plants that produce durable metal containers for nutritious, affordable, accessible foods and beverages. A tariff on these aluminum and steel products will harm our industry and put food and beverage cans at a disadvantage among competitive packages, such as plastic and glass, which are not subject to tariffs. This would ultimately harm U.S. consumers, who would pay more for canned food and beverage products.

Even a small increase in the price of raw materials would create a destructive competitive disadvantage, forcing possible closures of can manufacturing plants in the United States and negatively impacting the 10,000 workers and their families in these U.S.-based plants. One could easily foresee where finished cans or even cans with food products made overseas could be imported at lower costs than U.S. produced cans.

We encourage the President to reject the Commerce Department's recommendation and side with American consumers and workers. Should the President decide to move forward with the Commerce Department's recommendation, CMI plans to file a petition with the Commerce Department asking for administrative relief from tariffs on imports of aluminum can sheets, aluminum ingots and steel tinplate.

The Can Manufacturers Institute (CMI) is the national trade association of the metal can manufacturing industry and its suppliers in the United States. The can industry accounts for the annual domestic production of approximately 124 billion food, beverage and other metal cans; which employs more than 28,000 people with plants in 33 states, Puerto Rico and American Samoa; and generates about \$17.8 billion in direct economic activity. CMI members are committed to providing safe, nutritious and refreshing canned food and beverages to consumers.