

## TIMCO - STANDARD - TANDEM - ALPASE

## **Corporate Headquarters**

13428 Benson Avenue - Chino CA 91710

June 23, 2017

The Honorable Wilbur L. Ross, Jr. Secretary of Commerce U.S. Department of Commerce 1401 Constitution Ave., NW Washington, DC 20230

PUBLIC DOCUMENT VIA ELECTRONIC MAIL

RE: Section 232 National Security Investigation of Imports of Aluminum

Dear Secretary Ross,

TST, Inc. ("TST") appreciates the opportunity to provide comments on the Section 232 National Security Investigation of Imports of Aluminum. As discussed below, TST opposes the imposition of trade measures on primary aluminum imported from key U.S. trade partners. Restrictions on certain imported primary aluminum would threaten hundreds of U.S. manufacturing jobs tied to TST's downstream aluminum business.

TST is a family-owned company based in Chino, California that produces high-value, downstream aluminum products. Since its founding in 1946, TST has grown into one of the largest American producers of high quality cast plate and mold blocks, and specialty aluminum ingot and billet. TST utilizes a proprietary casting technology in its manufacturing process, and our products are used by the aerospace, semiconductor, and automotive industries, among others. The company employs three hundred workers at its four locations in the United States, and manufactures and sells its products for both domestic and export markets, including Canada, Mexico, and Asia. Additional information about our company can be found on our website at <a href="www.tst-inc.com">www.tst-inc.com</a>.

TST is greatly concerned about the potential imposition of tariffs or other restrictive trade measures on imported primary aluminum products. TST utilizes primary aluminum, including grades P0506, P0610, and P1020, to produce the downstream aluminum products described above. While TST purchases primary aluminum from domestic sources, such domestic sources cannot supply TST with all of its primary aluminum needs. TST therefore acquires additional volumes of primary aluminum from foreign sources – primarily in Canada, Australia and the United Arab Emirates ("UAE"). Imposing trade measures on primary aluminum imports from these countries will significantly increase TST's costs and make its downstream products less competitive, particularly in TST's export markets. On this point, we also note that under existing NAFTA rules, TST is unable to utilize duty deferral and duty drawback on imported primary aluminum used to produce downstream products exported to Mexico and Canada, further diminishing TST's competitiveness in those export markets.

Any national security safeguard remedy should exclude primary aluminum from Canada, Australia and the UAE – three key allies and security partners of the United States.

As the Administration heard from witnesses at yesterday's public hearing, there is widespread support for excluding Canada from any safeguard remedy. The Aluminum Association, which represents the vast majority of U.S. aluminum production, and many other parties have described the intertwined aluminum industries of the United States and Canada and the important role that Canada's industry plays in supporting U.S. aluminum manufacturing efforts.

Like Canada, Australia is a vital ally and important trading partner, with the U.S.-Australia Free Trade Agreement helping to boost U.S. exports to Australia since entering into force in 2005. Importantly in the context of a national security safeguard investigation, the U.S. Department of State has noted the exceptionally close defense ties and cooperation between the United States and Australia.

Similarly, the UAE is an important trading and security partner of the United States. The UAE is the largest U.S. export market in the Middle East and the United States has a \$19 billion trade surplus with the UAE, the United States' third-largest globally. The UAE is also an important military and counterterrorism partner of the United States.

Imposing import restraints on primary aluminum from these countries would seriously harm TST's business and the hundreds of high-paying, export-dependent manufacturing jobs that TST currently supports. While TST supports this Administration's policy of job growth through strong trade enforcement and other policy mechanisms, it would be unfortunate indeed for the Administration to threaten U.S. jobs by imposing harmful tariffs on fairly traded primary aluminum imports from key trading and strategic allies.

Finally, should the Administration impose a broad national security safeguard on primary aluminum, we urge the Administration to adopt simultaneously a process by which parties can apply for exclusions or modifications to the remedy. Such a process is necessary to account for the varied circumstances of aluminum imports into the United States and any risk they present to U.S. national security. In this regard, TST is encouraged by U.S. Trade Representative Lighthizer's testimony this week to the Senate Finance Committee in which he expressed an expectation that such an exclusion process will be available for manufacturers that require aluminum products that are not available in adequate supplies from domestic sources, as is the case for the primary aluminum products listed above.

TST appreciates your attention to these important issues. Please do not hesitate to contact me should you have any questions or require further information.

Sincerely,

Andrew G. Stein President/CEO

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