



June 19, 2017

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

SENT BY EMAIL: Aluminum232@bis.doc.gov

Re: Written comments from the U.S.-U.A.E. Business Council regarding the Department of Commerce's Bureau of Industry and Security investigation to determine the effects on national security of imports of aluminum.

Document No. 2017-09328

Dear Mr. Botwin:

I am writing on behalf of the U.S.-U.A.E. Business Council in response to the Bureau of Industry and Security's (BIS) request for comments regarding the announcement of an investigation into the effects of U.S. aluminum imports on national security, pursuant to Section 232 of the Trade Expansion Act of 1962.

The U.S.-U.A.E. Business Council wishes to highlight several important aspects of the vital bilateral relationship between the U.S. and the U.A.E. We believe that these factors lend salient context surrounding the import of U.A.E.-originating aluminum into the U.S.

The United States benefits immensely from its thriving and ever-growing trade and commercial relationship with the United Arab Emirates. U.S.-U.A.E. trade statistics released by the U.S. Census Bureau in 2016 (the most recently available) showed nearly \$26 billion in total trade between the two countries, making the U.A.E. a major regional U.S. trade partner. Importantly, the U.S. enjoys a \$19 billion trade surplus with the U.A.E., exporting over \$22 billion worth of goods and services last year to that country. In fact, U.S. exports to the Emirates exceed outgoing American products to all other key regional U.S. trade partners – including the Kingdom of Saudi Arabia, India, Israel, Turkey, and Egypt – making the U.A.E. the fourth largest surplus market for U.S. goods and services globally. These considerable exports mean real jobs for everyday Americans. In sum, this is a fast-growing and dynamic bilateral trade relationship with overwhelming benefit to the U.S.

The U.S. and the U.A.E. meanwhile share a critical bilateral defense and security partnership. The U.A.E. is the only Arab country to participate in six coalition actions with the U.S. since the First Gulf War, including the ongoing campaign against the Islamic State in Syria and Iraq. More than 2,000 American military personnel are also based in the U.A.E., mostly with the U.S. Air Force's 380th Expeditionary Wing stationed at Al Dhafra Air Base. This profound defense relationship and the effectiveness of this partnership are critical in promoting regional security and stability at a time when it is very much needed. It is important to emphasize that the U.A.E. is not only a consumer of security goods and services – it is increasingly a *provider* of security for the wider region as well.





To codify this relationship, U.S and U.A.E. officials recently signed a landmark new **Defense Cooperation Agreement (DCA)** expanding work in key defense and national security arenas between the two partners. This DCA buttresses ongoing military cooperation and coordination between the U.S. and U.A.E. in fighting extremism in regional hotspots such as Syria and Yemen. Furthermore, this DCA is one of the key building blocks required to expand cooperation in other areas. For example, the U.A.E. is the second largest buyer of U.S. arms worldwide and is increasingly being approved for the most sophisticated U.S. defense equipment. The U.A.E. is also looking to further invest in U.S. military advancements like the country has already done with the F-16 Block 60 fighter and the THAAD missile defense system. The DCA sets the stage for potential new data sharing, technology, and R&D cooperation agreements between the two countries for the future.

Given the importance of this relationship and the net value to U.S. suppliers in the defense and national security arena, we urge BIS to hold harmless countries with defense bilateral agreements, as is the case between the U.S. and U.A.E. Moreover, the U.S.-U.A.E. Business Council hopes that BIS will ensure that any remedies recommended pursuant to this investigation adhere to U.S. obligations under the WTO.

In addition, we would like to emphasize our conviction that a duty or tariff on primary aluminum would negatively impact the U.S. downstream aluminum sector, placing at risk over 700,000 jobs in no less than 39 states due to a higher price of primary aluminum. Moreover, this action would have the perverse effect of making Chinese imports more attractive since China primarily exports downstream aluminum products to the United States.

The U.A.E. aluminum industry specifically supports high-quality and well-paying American jobs by purchasing capital equipment directly from U.S. manufacturers. This directly supports U.S. supplier companies and spurs U.S. export activity. We respectfully urge BIS therefore, not to recommend trade-restrictive measures that ultimately affect this vibrant economic and national security bilateral relationship.

Thank you for your commitment, time, and attention to this important matter.

Sincerely,

Danny E. Sebright
President
U.S.-U.A.E. Business Council

