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Attention
Brad Botwin
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Office of Technology Evaluation
Bureau of Industry and Security, U.S.
Department of Commerce

RE: Written Comments

After being at the Department of Commerce testimony yesterday on high-purity, primary aluminum, I have a new perspective that I wish to share. Much of the testimony was about China dumping downstream products; plate sheet, bar, etc., that was not relevant to the testimony about primary aluminum. China does not sell primary aluminum into the United States at all. The relevant testimony came from Jorge Vasquez at Harbor Aluminum.

I have been a client of Harbor Aluminum for many years and receive their daily reports and updates on the state of the aluminum industry and have attended many Harbor annual conferences. Harbor puts out the most factual, non-biased information on the aluminum industry available in the market today. They are factual because they gather information from clients who own the top smelters and are the top aluminum producing companies in the world, all the way to the aftermarket downstream aluminum businesses that use converted aluminum to produce their products. Harbor must stay unbiased because these vastly different customers have priorities that do not match each other. If they were biased towards one part of the industry, they would lose customers from the other parts. That is why they are so important to my business, because they tell what is the truth to the best of their ability.

When you listen to Harbor's testimony, you understand that currently the United States actually exports more aluminum end products into China than China exports to the U.S. You find out that they only have 4 weeks of inventory inside their country and have to keep producing to meet the demands inside their country, where the United States has many months of inventory available in their stock pile. You find out that aluminum production moves from highly developed countries like the United States, Germany, and Western Europe into places where the power is cheap, because power is such a large portion of the cost of aluminum. In the last 15 years, Alcoa has shut down plants such as the one in Rockdale, Texas and turned their power generating facilities to feed the grid because they could make so much more money on power than they could ever make on making aluminum. However, don't depend on me for facts, look to Harbor.

If the government's concern for defense is high purity aluminum, you must consider that C-KOE produces aluminum in higher purities, up to 99.998% pure, than anyone talked about in the testimonies yesterday, except myself. To reiterate, C-KOE cannot buy those purities in the United States, because

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the U.S. does not have the technology to produce those ultra-high purities. The highest purity being produced in the United States P0101, 99.98% pure, is not available for purchase by companies outside of Alcoa. C-KOE, over ten years ago, bought their P0101 from Alcoa, however they stopped selling to us because they wanted to only use their P0101 production internally. We sell 99.998% purity aluminum to the titanium industry, which in turn uses that product in aerospace and in military applications. Let's not put a tariff on a product that the U.S. cannot even produce. Alcoa has 4 reverberatory furnaces where they make P0101, but they are only using 2, because the demand would not be high enough for P0101 if they were producing it for sale.

If we want to talk about downstream products that China was dumping into the United States and into the rest of the world, let's look at the current information and see if that is still true. Look at Harbor's information. Do we need to protect against China? Have they stopped the dumping? Let's not fix a problem that has been fixed organically by the market for a number of years.

My recommendation is that the Department of Commerce listen to the factual information produced by Harbor and other companies and disregard the sensationalism that was produced around China 5 or 6 years ago and is still in use today. We do not need the havoc that will be created by quotas and tariffs on products that are basically at parity and that the free market has already adjusted for. As I said yesterday, why do we need to protect something that is already almost gone? Is our country going to go to war with every country in the world that produces aluminum? Are we no longer going to have allies and work with countries that do produce aluminum.

Let's not create more problems for our friends and more fighting points with our adversaries. Leave primary aluminum off of the government's radar. The availability of it is not, and will not be an issue.

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ABOUT CHARLES KOETTING

Charles Koetting is a successful entrepreneur who began his career as an industrial general contractor. His educational background in economics, along with his keen business sense, allowed him to realize the potential of a small aluminum recycling facility. Through his vision, C-KOE Metals has become a predominant source of high purity aluminum for users around the world. Charles is the driving force behind the long term business relationships, recruiting and retaining highly qualified staff, and the steady financial growth. In addition to C-KOE Metals, Charles has founded more than 40 other successful enterprises in property development, construction, and manufacturing industries.

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