

**COMMENTS BY
GRUPO VASCONIA
TO THE
U.S. DEPARTMENT OF COMMERCE**

Section 232 National Security Investigation of Imports of Aluminum

June 22, 2017

**Submitted by:
Grupo Vasconia**

Mexico City, June 22, 2017

By e-mail

Artemisa Alba Aguilar
Executive Director
Instituto del Aluminio, A.C. ("IMEDAL")

**Re: US Section 232 National Security
Investigation of Imports of
Aluminum**

Dear Ms. Alba:

I refer to your kind invitation to IMEDAL's associates to provide comments on the ongoing US Section 232 National Security Investigation of Imports of Aluminum.

As you know, Almexa Aluminio, S.A. de C.V., a wholly owned subsidiary of Grupo Vasconia, S.A.B, is the sole Mexican producer of aluminum foil. As such, we, as the US producers of aluminum products, are aware of the great menace that represents the excess capacity in aluminum production resulting from foreign government subsidies, and concur with them in the necessity to counteract unfair practices and other abuses, especially from China, in the aluminum sector.

We take note on the efforts undertaken by the US domestic industry against aluminum imports, for the injury suffered as consequence of the increase of such imports at dumping prices. Indeed, we have closely followed the process of the ongoing antidumping investigation against aluminum foil imports from China initiated on March 9, 2017 by the International Trade Commission ("ITC") (No. 731-TA-1346 – Preliminary), on which the ITC already issued an affirmative preliminary injury determination on May 2017 (Publication 4684).

As for the Section 232 investigation at stake, we understand that it might rest in different legal and factual grounds than those of the antidumping investigation, and we lack the sufficient information to comment on the merits thereof, since our interests and attention have been focused mainly in the antidumping remedies pursued by the US domestic industry of aluminum foil. Nevertheless, we also understand that with the Section 232 investigation the US producers are seeking relief from unfair practices and other abuses in the imports of aluminum products into the US.

However, we believe that any relief granted or measure undertaken by the US government as consequence of the Section 232 investigation should be limited to those imports that actually threaten or compromise the national security of the US domestic industry of aluminum products. An unrestricted and universal application of any such measures might be prejudicial and unjustified for imports from countries such as Mexico that do not pose a threat to US national security.

We strongly believe that being NAFTA partners has allowed the US and Mexico to complement their trade flows and markets in many products, including aluminum products. The spirit of NAFTA is precisely to strengthen the North America region (with all the benefits that it entails -growth, sustainable development, prosperity and, of course, security) by eliminating trade restrictions and not by imposing them. If the outcome of Section 232 investigation is the imposition of restrictions to Mexican imports into the US, then the purpose of NAFTA would be overlooked. Not to say that it would also most likely constitute a breach to legal obligations regarding Trade in goods established in NAFTA,¹ against which the Mexican Government could seek relief thereunder.²

In sum, as the sole Mexican producer of aluminum foil, our interests are aligned with those of the US domestic industry of aluminum products inasmuch we both reject unfair trade practices around the globe. However, we firmly assert that any such

¹ We understand that regarding Trade in goods under NAFTA, the only exception that allows partners to restrict imports is by means of a safeguard, which is not the measure sought in a Section 232 investigation, as we understand it.

² In a previous US Section 232 investigation against oil imports, the US Department of Commerce concluded that “...an import adjustment would ...strain relations with our close trading partners who would most likely seek relief under North America Free Trade Agreement (NAFTA) or World Trade Organization (WTO) rules.” See page ES-9 of the DOC’s determination available at: <https://www.bis.doc.gov/index.php/forms-documents/section-232-investigations/87-the-effect-of-imports-of-crude-oil-on-national-security-1999/file>

restriction imposed as consequence of the Section 232 investigation **should exclude Mexico as US NAFTA's partner.**

We will naturally continue to support and welcome any other effort from the aluminum industry, whether from the US or Mexican, aimed at deterring targeted unfair trade practices.

Best regards,

GRUPO VASCONIA