

Written Comments  
Submitted on Behalf of  
New Day Aluminum LLC and its  
Noranda Alumina and Noranda Bauxite subsidiaries

on the

United States Investigation under Section 232 of the Trade Expansion Act of 1962  
To Determine the Effects on the National Security of Imports of Aluminum  
Conducted by the  
U.S. Department of Commerce  
Office of Technology Evaluation, Bureau of Industry and Security

New Day Aluminum LLC and its operating subsidiaries, Noranda Bauxite and Noranda Alumina (collectively, “Noranda”), submit this written statement to offer Noranda’s unique perspective on the Commerce Department’s Section 232 investigation into imports of aluminum. Noranda’s perspective is unique because it operates, through Noranda Alumina, the only smelter grade alumina refinery remaining in operation in the United States.

Alumina is the critical raw material in the production of aluminum. Tracing aluminum back to its source, the aluminum process begins with bauxite, which is refined to produce alumina, which is then converted to aluminum through an electrolytic process. It takes approximately two pounds of bauxite to produce one pound of alumina, and two pounds of alumina to produce one pound of aluminum. In this Section 232 investigation, it is important to bear in mind that the aluminum industry consists of four constituents: the bauxite ore miners, the alumina refiners, the primary aluminum makers (smelters) and the aluminum end-product manufacturers (extruders, rolling mills and the like). Noranda’s business covers the first two classes. Noranda operates a bauxite mining operation in St. Ann, Jamaica. It also operates an alumina refinery located along the Mississippi River in Gramercy, Louisiana. Collectively, the facilities directly and indirectly employ more than 1,200 people.

Noranda Alumina is the principal source of alumina supply to Century Aluminum, the largest remaining U.S.-based producer of primary aluminum, for two of Century’s three operating smelters in the U.S. Century is a significant U.S.-based producer of high purity aluminum, which is necessary for a number of national defense and military applications.

Noranda respectfully recommends that any trade policies considered in this investigation should include protections to ensure the continuation of a U.S.-based supply of alumina. Noranda further recommends that any review of the national security effects of imports of aluminum must also include a review of the U.S.'s supply of and access to bauxite ore, from which alumina itself is derived. There are no longer any bauxite mining operations in the U.S. The closest sustainable, foreign source of bauxite is in Jamaica. Aside from Noranda, the other three major mining facilities in Jamaica are wholly or majority owned by Chinese, Russian and Hong Kong interests, and none are permitted to export bauxite out of Jamaica.

Rebuilding the U.S. stockpile of bauxite ore would be one way for the U.S. to alleviate the risks associated with sourcing this important raw material exclusively from foreign countries and/or foreign interests. Recognizing the national security interest in maintaining a local bauxite supply, the U.S. previously stockpiled bauxite ore starting as far back as 1939. The rationale, of course, was to remove the geopolitical risk of enemies blocking our ocean-based supply lines in times of conflict. During the 1950s, part of that stockpile was actually maintained at the Louisiana facility now owned by Noranda. During the Reagan Administration, and at President Reagan's express direction, the U.S. strategic stockpile of bauxite was enhanced with the purchase of more than a million tons of Jamaican bauxite. With the current Administration's recognition that the aluminum supply chain is critical to national security, a strategic U.S. stockpile of bauxite would appear to be equally as critical. Noranda therefore recommends that this Administration give strong consideration to sourcing and creating a U.S. stockpile of as much as 10 million tons of Jamaican bauxite, bearing in mind the more than 4 to 1 ratio of bauxite to primary aluminum.

Maintaining a U.S.-based stockpile of bauxite and a U.S.-based source of alumina production would alleviate dependence on foreign supply. As our nation learned through years of dependence on foreign oil, such raw material dependence is not in our country's national security interest and, in times of war or other hostile conflict, could lead to inflationary pricing or being cut off entirely from those resources.

As to the importation of aluminum itself, Noranda recognizes the Commerce Department's need to review a variety of trade policies related to this issue. However, Noranda cautions that trade policies that might significantly restrict or eliminate foreign imports of aluminum may have unintended but significant negative consequences. For example, in 2016, the U.S. produced approximately 60% less primary aluminum than it produced in 2012. Over the same period, U.S. demand for raw and semi-manufactured aluminum increased by more than 40%. This tells us that the importation of primary aluminum is necessary and must continue, especially in the near term.

Over the last couple of decades, China has become the world's dominant aluminum producer, with its production having grown from less than 5% of worldwide production to roughly 60%. To date, however, China appears to have refrained from flooding the U.S. market with its primary aluminum. The current Chinese dominance in the production of both alumina (in its refineries) and aluminum (in its smelters) creates an ability for China to manipulate the aluminum value chain for its benefit. If such manipulation puts U.S. and other allied countries' alumina and aluminum production facilities out of business, we and our allies will become dependent on foreign sources of these critical raw materials.

In conclusion, Noranda recommends that the Department consider creating a 10 million ton strategic reserve of Jamaican bauxite in the U.S. Noranda also recommends that the Commerce Department carefully evaluate all consequences, intended and unintended, that may be caused by severe tariffs or trade regulations on foreign imports of aluminum; and, if regulation is imposed in some fashion, that its effect on the continued viability of a U.S.-based source of the critical raw material of alumina be given due consideration.