Can Manufacturers Institute

CANS: INFINITELY RECYCLABLE℠

March 5, 2019

President Donald J. Trump
The White House
1600 Pennsylvania Ave., NW
Washington, D.C. 20500

Dear Mr. President:

The Can Manufacturers Institute (CMI) strongly opposes the adoption of aluminum and steel quotas or tariff rate quotas in future trade agreements with our trading partners Mexico, Canada, the European Union, Japan, and the United Kingdom. This letter is in response to Secretary Perdue's comment to the House Committee on Agriculture on February 27, 2019 that U.S. trade negotiators are working to replace aluminum and steel tariffs with "reasonable quotas Canada and Mexico can live with".

Our members have witnessed how steel quotas in trade agreements can be harmful. The quota which has been applied in the South Korean bilateral trade agreement has distorted the tinplate market to a significant extent. If quotas are imposed on our trading partners, our industry will be unable to procure enough primary aluminum and tinplate steel to produce cans to package the variety of foods and beverages Americans need to meet their basic nutritional needs.

American can makers rely on a mix of foreign and domestic primary aluminum and tinplate steel especially from Canada and Mexico for their manufacturing needs. The supplies of domestically produced tinplate steel and can sheet aluminum are extremely limited. In 2016, domestic tinplate production was only 1.2 million tons and U.S. demand was 2.1 million tons, U.S tinplate makers were only able to supply, at most, 58% of the requirements of domestic can manufacturers. To produce aluminum packaging, primary aluminum is not widely available in the United States and must be imported mainly from Canada. Due to the lack of an adequate domestic supply, our members have had no choice but to source tinplate steel and primary aluminum from foreign countries.

CMI is the national trade association of the metal can manufacturing industry and its suppliers in the United States. The can industry accounts for the annual domestic production of approximately 119 billion food, beverage, aerosol and general line cans; and employs more than 22,000 people with plants in 33 states, Puerto Rico and American Samoa. Our industry generates approximately $17.8 billion in direct economic activity. American-made aluminum and steel packaging reigns as the supreme choice for U.S and international customers.

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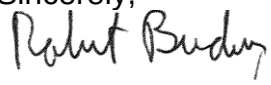
CMI urges you to protect the American food supply and to reject quotas on tinplate steel and primary aluminum.

Sincerely,



Robert Budway
President
Can Manufacturers Institute

CC: The Honorable Steven Mnuchin, Secretary of the Treasury
The Honorable Wilbur Ross, Jr., Secretary of Commerce
The Honorable Sonny Perdue, Secretary of Agriculture
The Honorable Robert Lighthizer, U.S. Trade Representative