



Tariffs & Trade

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Section 232 Tariffs

The Can Manufacturers Institute's (CMI) can making members oppose Section 232 tariffs from allies and free trade partners of the United States on steel and aluminum imports that are used in can making. These tariffs artificially distort the packaging market and place metal cans at a competitive disadvantage versus other packaging. They place canned products at a disadvantage versus imported canned products as well. The U.S. government should not be in the business of picking winners and losers in the packaging space and paradoxically hurts U.S. manufacturers.

CMI's steel can manufacturers and their customers are severely disadvantaged by the 25 percent tariff on steel tinsplate used to make metal cans. The industry estimates that in 2023 more than 50 percent of steel needed for can making is imported to meet production demand. Tariffs are an unnecessary tax that raises costs for consumers who rely on canned products to provide affordable, nutritious foods and household items that keep their homes and businesses clean and safe. The 10-percent tariffs on aluminum brought into the United States also adversely effects the cost of aluminum cans versus other packaging types.

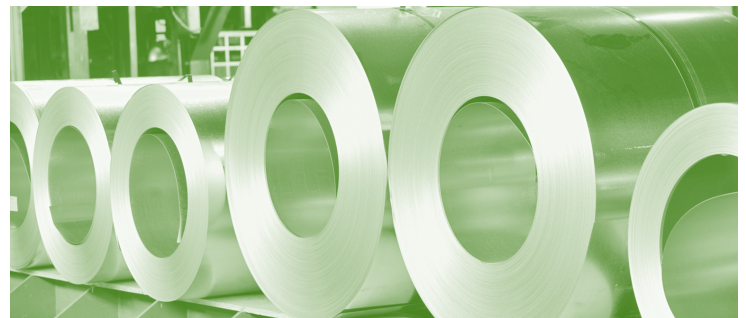
Section 301 Tariffs

CMI does not oppose continued 301 tariffs on imported steel and aluminum from China.

Inequality Between Domestic and Foreign Can Makers

The Department of Commerce needs to address the inequity between domestic and foreign metal can makers caused by 232 the tariffs. Steel food and aerosol cans made by foreign-owned companies imported into the country do not pay a tariff on the tinsplate steel they use to make metal cans in their countries. They are able to sell their cans in the United States without the added cost of a tariff, while domestic steel can makers are disadvantaged by higher costs brought on by the 25-percent duty. This inequity makes it more difficult for U.S. metal can makers to compete against foreign metal cans imported into the United States at the expense of American workers.

In times of unprecedented demand from America's food, beverage and household goods companies due to unforeseen supply chain disruptions, U.S. metal can makers may need to import unfilled metal cans from their facilities in other countries. The Department of Commerce may consider lifting restrictions temporarily on unfilled metal cans produced by U.S.-based companies and imported from outside the country until domestic production is able to catch up and meet demand.



Contact:

Mike Smaha, *Vice President of Government Relations*
msmaha@cancentral.com

232 Tariff Exclusion Process Reform

CMI strongly urges the Department of Commerce to adopt a categorical exclusion for tinplate in addition to other reforms of the Section 232 tariff exclusion process, which make it more equitable, expeditious and transparent. CMI asks the department to immediately implement the following reforms to the process:

- 1) Shorten the application form and allow draft requests to be saved on the 232 Portal.
- 2) Allow similarly situated companies to apply for exclusions as a group.
- 3) Formally adopt a categorical exclusion process that would be applied to products that cannot be domestically produced in sufficient volumes.
- 4) Allow requests for multiple products in a single application, such as for different sizes of the same specification.
- 5) Submission deadlines should be clearly indicated on the 232 Portal.
- 6) Impose real deadlines for decisions by adopting a rule that requests must be resolved within 60 days of the final comment submission. If the 60-day period lapses without action by the department, the application should be deemed to have been approved.
- 7) Decision dates by Bureau of Industry and Security should also be posted on the 232 Portal.
- 8) Allow and grant multi-year exclusions so an applicant's procurement cycle is uninterrupted.
- 9) Eliminate requirements in the chemical composition field in the aluminum portal that are inconsistent with Aluminum Association specifications.
- 10) Work with U.S. Customs and Border Patrol to make the Post Summary Correction Process refund procedure more efficient and effective.
- 11) Work with U.S. Customs to ensure that decisions to link resubmissions are fully effective and provide real relief to applicants.

Can Manufacturers Institute

The Can Manufacturers Institute (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 130.7 billion food, beverage, aerosol and general line cans; which employs more than 28,000 people with plants in 33 states, Puerto Rico and American Samoa; and generates about \$15.7 billion in direct economic activity.

CMI members are committed to providing safe, nutritious and refreshing canned food and beverages to consumers in the most sustainable packaging. For more information, visit cancentral.com.