

Tin Mill Products AD/CVD Investigations

CMI Coalition Member Data

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The Petition Targets Specifications that CMI Members Must Increasingly Source Abroad to Meet Customer Needs

- In an abuse of U.S. trade laws, the Petition seeks to impose tariffs *primarily* on products needed by U.S. customers but not available at commercial scale from domestic mills.
- Product specifications currently unavailable from the domestic industry include:
 - Drawn & ironed (“DWI”) electrolytic tinplate (“ETP”) wider than 40 inches
 - Easy Open (“EZO”) ETP or tin free steel (“TFS”) ends
 - In-scope laminated TFS
 - TFS wider than 38 inches
- From 2019 to 2022, most of the imports that CMI members purchased were specifications that were unavailable at commercial scale from the domestic industry.
 - According to data from CMI members for each product type, **51%** of CMI members’ purchases of subject imports in 2019 were unavailable specifications.
 - By 2022, unavailable specifications had climbed to **62%** of purchased subject imports.
 - The percentage of purchased subject imports unavailable from Cleveland-Cliffs was *even higher*, because certain specifications were made only by U.S. Steel.

Section 232 Product Exclusions Granted by Commerce Confirm the Unavailability of Imported Specifications

- The Department of Commerce itself has already confirmed the unavailability from domestic producers of a clear majority of subject imports. Imports of products not available from U.S. mills, as certified by Commerce, could not and did not take sales from domestic producers.
 - In 2022, no less than **62%** of subject imports purchased by CMI members entered under Section 232 product exclusions, which are granted only when Commerce finds the product to be unavailable in sufficient quantities from the domestic industry.
 - The share of CMI member purchases of subject imports that Commerce found to be unavailable from U.S. mills more than **quadrupled** since 2019, when only 13% entered under a 232 product exclusion.
 - Another **26%** of purchased subject imports in 2022 entered under a country exemption, quota, or tariff-rate quota, for a combined total of **88%** of CMI member purchases entering duty-free under Section 232 policies implemented by Commerce.

For Products Made Domestically, CMI Members Are Unable to Obtain their Requested Volumes from U.S. Mills

- In recent years, the domestic industry has declined to supply the full volumes of standard tin mill specifications requested by CMI members.
 - In both 2019 and 2020, U.S. mills agreed to contract for 100% of the annual volume requested by certain responding CMI members.
 - By 2022, the volume contracted domestically had dropped **14 percentage points** to only **86%** of the volume requested by those same CMI members.
 - This reduced availability from U.S. mills was most severe with Cleveland-Cliffs, which contracted for only **64%** of the volume requested by responding CMI members in 2022.
- Worse, the domestic industry failed to deliver volumes on time and in full (“OTIF”) to CMI members, especially recently.
 - In 2019, U.S. producers delivered OTIF just **58%** of the time.
 - By 2022, the percentage of OTIF deliveries had fallen to **22%**, which means that the **vast majority** of purchases from domestic tin mills arrived late.
 - Cleveland-Cliffs had the worst on-time record among domestic producers in 2021 and 2022, delivering OTIF at rates of only **16%** in 2021 and **15%** in 2022.

Tin Mill Products Sourced from U.S. Mills Were Consistently Lower Quality than Subject Imports

- From 2019 to 2022, tin mill products purchased from domestic producers had consistently higher rejection rates than subject imports.
 - CMI members rejected domestic tin mill products at **three times** the rate they rejected tin mill products purchased from subject countries.
 - In 2021 and 2022, Cleveland-Cliffs was responsible for the largest share of rejected steel, with CMI members reporting more rejections for Cleveland-Cliffs in 2021 and 2022 than **all subject imports combined**.
 - In 2021, CMI members reported rejecting **twice as many tons** from Cleveland-Cliffs alone than from all subject imports combined.
 - These higher rejection rates for U.S. mills remained consistent from 2019 to 2022, despite fluctuations over time in the volume of CMI member purchases of subject imports versus domestic tin mill products.

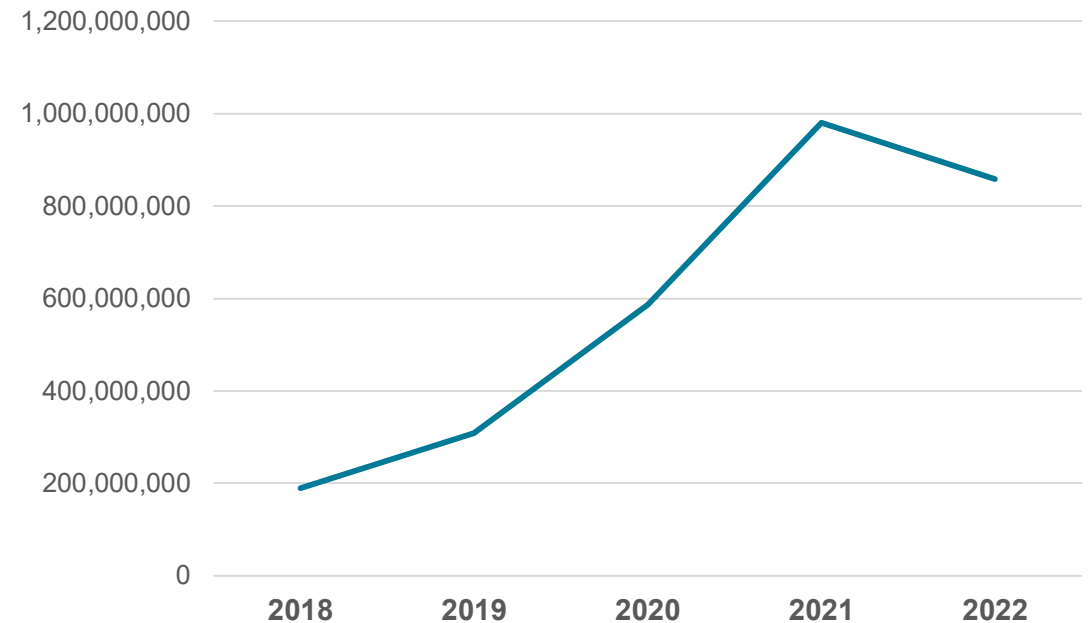
Imposing New AD/CVD Tariffs Would Only Exacerbate Recent Spikes in Imports of Finished Can Products

- Since Section 232 tariffs were imposed on tin mill products in 2018, CMI members have faced increased competition from foreign can producers that exploit the price disadvantages facing U.S. can manufacturers.
- For both empty and filled cans, the data show that CMI members and their U.S. customers are already facing **huge increases** in foreign competition.
- The application of new AD/CVD tariffs would only accelerate these trends, threatening not only U.S. can manufacturing jobs but also domestic consumer packaging and agricultural interests.

Increased Foreign Competition: Empty Cans

- Import spikes have been most severe for empty cans, which directly compete with CMI member products.
- From 2018 to 2022, the volume of empty can imports increased **353%**.
- During that same period, the value of empty can imports increased **270%**.

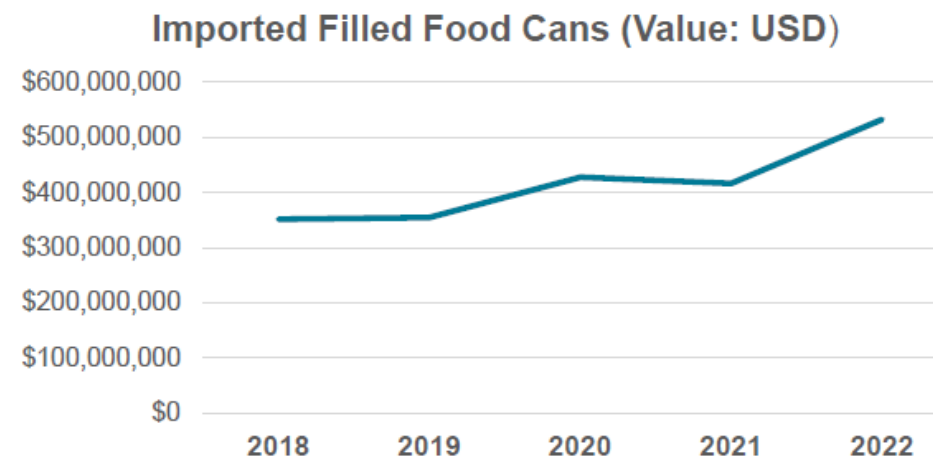
Imported Empty Cans (Quantity: Number of cans)



Source: U.S. Census Bureau imports for consumption for HTS categories 7310.21.0050, 7310.29.0065, and 7323.99.5060

Increased Foreign Competition: Filled Food Cans

- Similar trends exist for filled food can products.
- From 2018 to 2022, the value of filled can imports of multiple foods increased **51.5%**.
 - Meanwhile, the volume of filled food can imports increased **12.4%**.
- For specific canned foods, the increases in imports from 2018 to 2022 have been even more dramatic:
 - HTSUS 1604.11.4040 (Certain Canned Salmon): increases of **196%** in volume, **119%** in value
 - HTSUS 1602.90.9160 (Certain Canned Meats): increases of **74%** in volume, **391%** in value
 - HTSUS 2008.70.2020 (Certain Canned Peaches): increases of **21%** in volume, **49%** in value
- As this record makes clear, CMI members, their consumer packaging customers, and U.S. agricultural producers will all face increased foreign competition from filled food can imports if new AD/CVD tariffs are imposed.



Source: U.S. Census Bureau imports for consumption for HTS categories 1601.00.2010, 1601.00.6060, 1602.90.9160, 1604.11.4010, 1604.11.4020, 1604.11.4030, 1604.11.4040, 1604.11.4050, 2008.70.2020, 2008.70.2040, 2008.97.9030, 2008.97.9035, 2008.97.9040, and 2008.97.9050

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