

TESTIMONY OF HEIDI BROCK

**U.S. International Trade Commission
Common Alloy Aluminum Sheet from China
Final Phase Investigation Hearing
October 30, 2018**

Good morning Chairman Johanson, members of the Commission, and staff. My name is Heidi Brock, and I am the President and CEO of the Aluminum Association. I appreciate the opportunity to appear before you today to address a matter of great concern to our members.

The Aluminum Association represents close to 700,000 men and women who work directly and indirectly in the aluminum industry across 170 plants in 35 states nationwide. Representing roughly 70 percent of American production of all forms of aluminum – from primary aluminum producers, producers of semi-fabricated products, aluminum recyclers, and industry suppliers – the Aluminum Association is the voice for the plants and the people employed in the North American aluminum industry.

This is just the second unfair trade case in which the Aluminum Association has been involved on behalf of its members in its 86-year history. The other case involved aluminum foil from China, on which the Commission reached a unanimous affirmative determination in early March.

Our industry has not been a frequent user of the unfair trade laws. There has been a rapid increase in massive overcapacity in China over the past decade. To put China's overcapacity in perspective, when you consider that China has produced more aluminum in the last seven years than the entire U.S. industry has produced in its 125 year history, the need for trade relief for domestic producers of common alloy aluminum sheet is urgent and long overdue.

Common alloy aluminum sheet is an important product for our members. In 2017, the domestic industry's common alloy aluminum sheet production totaled about 2.64 billion pounds, out of total flat-rolled aluminum production of approximately 9.46 billion pounds – meaning that common alloy sheet accounts for nearly 30 percent of total production of flat-rolled aluminum products.

The Aluminum Association believes that the best means for addressing the significant market distortions caused by China's massive and uneconomic excess capacity is the negotiation of a government-to-government agreement. Absent such an agreement, however, the Association and its member companies will pursue relief under the U.S. unfair trade laws.

The narrow and targeted relief available under those laws allows a focus on specific unfairly-traded imports that are causing harm to domestic producers. The problems in the U.S. market today are the result of surging volumes of unfairly-traded imports from China caused by its massive overcapacity. We believe the best means for addressing these imports is the AD and CVD laws. Indeed, our Association has requested that common alloy sheet be excluded from the imposition of any additional duties pursuant to section 301. Our Association has also made clear its support for the removal of section 232 duties on aluminum and aluminum products imported into the United States from all market economy countries.

I would like to respond briefly to the Chinese respondents' argument that common alloy sheet and can stock are a single like product based in part on an excerpt from the Association's website. The Association treats common alloy sheet and can stock very differently. We gather and report statistics on can stock separately from common alloy sheet, and we have a separate committee structure for each product. In short, the Association supports a finding that common alloy sheet and can stock are distinct products – and should not be a single like product.

Finally, other witnesses today will provide details regarding the impact of Chinese common alloy sheet on U.S. producers. These witnesses are our members, and I am here on behalf of the Association today in support of their efforts. We thank the Commission for its attention to this urgent issue.