

American Aluminum Jobs: Essential to the Nation

Aluminum is a unique element of American manufacturing, supporting aerospace, transportation, construction, defense, packaging, infrastructure and many other segments of the U.S. economy. Aluminum is designated as a critical mineral and has been [recognized](#) by the Departments of Commerce and Defense as “vital” to national security. The industry supports nearly 700,000 American jobs, including for tens of thousands of men and women who produce, fabricate and recycle the metal.

The aluminum industry produces a number of products that are essential during a public health crisis including inputs for medical supplies, building materials, transportation equipment, and food and beverage packaging.

Local, state and federal governments must ensure that aluminum industry operations and employees are designated as “essential” and exempted from any “shelter in place” orders during the current COVID-19 pandemic.

Immediate Actions for Aluminum Workers and Businesses

- **Credit Insurance and Increased Liquidity:** As customers face a slowdown or halt in production, the federal government should increase liquidity and provide credit insurance to ensure suppliers are paid.
 - The federal government should use new or existing mechanisms to underwrite credit insurance to guarantee payment to suppliers if customers cannot meet the payment terms of their contracts.
 - A voluntary liquidity facility program for U.S. metals manufacturers under which the Federal Reserve would purchase financial instruments from or provide zero interest unsecured loans or zero interest unsecured loan guarantees. The program should be in place for at least two years, to allow manufacturers to ensure liquidity during a time when supply chains and market demand may not be functioning as usual.

- **Grants for Capital Projects:** An easily accessible fund to provide grants for capital projects to manufacturers of all sizes will unlock immediate spending, engage local workforce and small business contractors and upgrade the U.S. manufacturing base so that it emerges more competitive from this crisis.
 - Grant programs from federal agencies like the Departments of Energy, Environment or Commerce that include direct spending would help businesses to accelerate purchases or investments – particularly for capital expenditures that are required even if production is halted or reduced.
 - For example, grants could support maintenance projects, investments in energy efficiency, scrap sorting or processing technology or critical equipment upgrades.

- **Trade Policy:** Expand exemptions from aluminum Section 232 tariffs to cover all countries that operate as market economies.

Long-Term Support for Aluminum Producers

- **Government Spending/Loans:** Direct spending from the federal government can boost demand and ensure continuity of supply chains.
 - **Infrastructure Spending:** Federal spending on infrastructure projects would help bolster the entire economy, put large numbers of people to work during this time of economic uncertainty and support demand for aluminum and aluminum products. Any preferences for domestic procurement should include our USMCA partners. Infrastructure projects that benefit aluminum production include bridges, airports, the electrical grid, road signs, new power generation and municipal recycling centers.
 - **Defense Department Spending:** Direct spending and R&D support would bolster the crucial aluminum supply chain for aerospace and defense products – including launch vehicles, satellites, airplanes, tanks and other heavy equipment. The Defense Department should:
 - Fund the development of advanced materials for defense and transportation industries, focusing on investments that would induce production of advanced materials in the U.S. to shorten and strengthen supply chains.
 - Ramp up procurement for a stockpile of critical minerals and metals like primary aluminum, alumina and bauxite.
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- **Tax Incentives:** Promote capital investments, refurbishments or maintenance, and consumer spending for automobiles, heavy truck fleets, airplanes and other key end markets.
 - Accelerated depreciation or tax rebates for investments like efficient trucks or light weight trailers, new energy-efficient HVAC equipment and solar deployment (including storage technologies).
 - Incentives for firms that make investments to grow recycling, like accelerated depreciation or offsetting deductions against corporate income tax for equipment purchases or other upgrades in recycling plants. These incentives could also extend to industrial customers who purchase products made with recycled metal, particularly with high levels of post-consumer scrap.

ESSENTIAL ALUMINUM PRODUCTS IN A PUBLIC HEALTH CRISIS

MEDICAL SUPPLIES & MEDICATION PACKAGING

- Flexible packaging of antibiotics/drugs (blister packs) and pharmaceuticals
- Medical supplies (sterile tools packaging) and equipment
- Antimicrobial surfaces
- Pharmaceutical machinery

ELECTRONICS & COMMUNICATIONS EQUIPMENT

- Smart phones
- Alarm and signal systems
- Electronic cabinet panels

POWER TRANSMISSION & DISTRIBUTION

- Insulated or covered wire and cable
- Metal boxes and covers
- Switch and outlet wall plates
- Substation structures

BUILDING MATERIALS

- Window frames
- Wall panels and spandrels

CONSUMER DURABLES

- Refrigerators and freezers
- Air conditioners and dehumidifiers

FOOD & DRINK PACKAGING

- Lightweight food packaging and semi-rigid food containers used to prepare precooked foods like MREs
- Aluminum cans for beverages, including canned water

TRANSPORTATION

- Body, wheels and components for vehicles (emergency and military) and heavy trucks
- Automotive engines and transmissions
- Airplanes and helicopters
- Satellites and launch vehicles