Policy Brief – Aluminum Tariff – June 2018

Background
In February 2018 the U.S. Commerce Department reported that imports of aluminum threaten to impair U.S. national security; there was a separate report for steel. On March 8, by authority of Section 232 of the Trade Expansion Act of 1962 and Section 604 of the Trade Act of 1974, President Trump imposed a 10 percent tariff on all covered aluminum imports effective March 23. Covered products were defined as: (a) unwrought aluminum (HTS 7601); (b) aluminum bars, rods, and profiles (HTS 7604); (c) aluminum wire (HTS 7605); (d) aluminum plate, sheet, strip, and foil (flat rolled products) (HTS 7606 and 7607); (e) aluminum tubes and pipes and tube and pipe fitting (HTS 7608 and 7609); and (f) aluminum castings and forgings (HTS 7616.99.51.60 and 7616.99.51.70), including any subsequent revisions to these HTS classifications.

On March 22, just before the tariff was to be imposed, the President suspended it until May 1 for the EU, Australia, Argentina, Brazil, Canada, Mexico and South Korea. The President said Canada and Mexico could be excluded if NAFTA negotiations succeeded. Countries with security relationships with the U.S. were offered a “satisfactory alternative” to the tariff if one could be found, and agreements were reached with Argentina, Australia and Brazil. Prior to imposition of the tariff the EU indicated that it would impose approximately $3.5 billion in retaliatory tariffs. On April 30 the President extended the tariff one last time until June 1 when it was imposed on the EU, Canada and Mexico.

On March 16 the Commerce Department announced a protocol for seeking an exclusion from the tariff for any aluminum article determined not to be produced in the United States in a sufficient and reasonably available amount or of a satisfactory quality and based on specific national security considerations. But, requests for relief were restricted to directly affected parties located in the United States. More than 11,000 exclusion requests have been made public thus far. Congressional objections to this process have been raised on due process and procedural fairness grounds.

Overall, eight U.S. trading partners – the EU, Canada, China, India, Japan, Mexico, Russia and Turkey – have noticed retaliation against the United States potentially impacting approximately $39 billion in U.S. exports, including a high proportion of U.S. manufactured goods, from steel and aluminum products to motorcycles and vehicles to processed food and distilled spirits.

Industry Position
The printing industry strongly opposes the Trump tariff on aluminum, because it needlessly increases costs for plate suppliers and their customers that greatly outweigh any benefits to a narrower segment of the economy that supplies aluminum. This is especially egregious where no domestic source exits.

115th Congress & White House
Congress should oppose this harmful trade policy that threatens the U. S. and world economies.