

Mr. Chairman.

Thank you for allowing me to testify today. My name is Robert Smith, and I am the President of United Steelworkers, Local 420-A, based in Massena, New York. I have over a decade of experience in the aluminum industry and would like to share with you my concerns over the future of an industry that is critically important to the national security of the United States. In addition, I'd like to make you aware that the United Steelworkers International Union (USW) will be submitting a comprehensive statement in support of the investigation before the close of the comment period.

This investigation comes at a critical time for the American aluminum industry. Domestic aluminum production is an important component of our nation's defense industrial base and vital to our critical infrastructure. The Department of Defense classifies aluminum as a strategic material with uses ranging from structural airframe material to electronic components and armor plating.

Furthermore, aluminum is increasingly being utilized throughout our nation's critical infrastructure. Whether it is the development of solar panels and extensive use in our electrical grid, or as a lightweight, high-strength building material, aluminum will continue to serve a vital role in the rebuilding and maintaining of our nation's infrastructure.

Ensuring that the nation and military have a stable, reliable supply of this critical material is a national security imperative.

Modern aluminum production, especially of military-grade, high-purity aluminum, is a highly complex and highly technical process that requires a trained and skilled workforce. The development of those skills takes years. Once capacity is lost, bringing it back online is not something that can be done overnight.

Today, there is only one domestic producer still operating that can produce high-purity aluminum, and that represents a national vulnerability. If that producer is forced to shut down because of predatory trade practices, it raises the real and unacceptable danger that the U.S. would be forced to rely on foreign sources in the event of an unforeseen future conflict or natural disaster.

And this situation is becoming more of a potential reality each day. Last year, American primary aluminum production dropped below 1 million tons for the first time since the 1950s, and so many domestic smelters have either closed or curbed production that only two in the U.S. are considered fully operational. This is being driven by a glut of aluminum in the global market which is causing a drop in global prices and making it uneconomical for domestic producers to stay in business.

This glut of global aluminum has a sadly familiar cause: China. The Chinese government has been illegally subsidizing its aluminum industry for years, driving a massive expansion of its production and capacity far beyond its internal

demand. These state-subsidized Chinese producers are then dumping this excess production on the world market.

The proof is in the numbers. Between 2006 and 2015, Chinese primary aluminum production grew by over 225 percent, and by the end of 2015 it accounted for more than half of all aluminum production in the world. While, as I mentioned earlier, U.S. production reached its lowest point in more than 60 years.

This trend shows no sign of stopping. Swift governmental action is critical if the American aluminum industry is to survive and continue to provide good jobs for American workers, the highest quality products to the American military, and critical infrastructure.

As the government approaches this issue, let me emphasize that the driving force behind our aluminum problems is Chinese overcapacity. Unlike steel, where dumped and subsidized products have directly impacted our market, China's policies and practices have suppressed world prices via the London Metal Exchange, where aluminum is priced.

Right now, Canadian imports are the largest single source for consumption in our market. But, Canadian production is not fueled by illegal and predatory practices and the approach in this 232 Investigation must be to target the production of those countries which are engaging in unfair trade. As our International President Leo Gerard has said, Canada should be exempted from any relief measures that might be implemented as a result of the Administration's actions. I and other workers in the aluminum sector here in the U.S. support that approach.

Thank you again for the opportunity to share my views on this important topic.