

United States Senate

WASHINGTON, DC 20510

The Honorable Irving A. Williamson
Chairman, U.S. International Trade Commission
500 E Street S.W.
Washington, DC 20436

Re: Aluminum: Competitive Conditions Affecting the U.S. Industry
Inv. No. 332-557

Dear Chairman Williamson,

I write today with regard to the pending investigation on Aluminum: Competitive Conditions Affecting the U.S. Industry. I understand that the Commission will hold the final injury hearing in this investigation on September 29, 2016, and ask that my letter be included in the hearing record.

I am testifying in strong support of the U.S. aluminum industry and against the dumping of aluminum by a government that subsidizes loss-making aluminum smelters. One large U.S. producer of aluminum is Constellium, which has a manufacturing facility located in Ravenswood, West Virginia, on the banks of the Ohio River. Constellium's Ravenswood plant employs nearly 1,200 people; it is their jobs, and the well-being of their families, that provide the backdrop to my testimony here today.

Another U.S. producer — Jupiter Aluminum, has a paint line in Beech Bottom, WV, further north on the Ohio River. Jupiter purchased its facility from a steel manufacturer who was facing financial difficulty and invested \$5.7 million in replacing, repairing, and adding equipment. Between Constellium and Jupiter, they employ many workers who live in West Virginia. The aluminum industry directly contributes at least 1,691 jobs and over \$1.5 billion to the state.

My testimony today is about fundamental fairness and the rule of law, but it should still be understood in the broader context of my home state. In July, the unemployment rate in the United States was 4.9%, but in West Virginia, it was 5.7%. The unemployment rate in Jackson County, where Constellium is located, was 5.5%. As you may know, the plant in Ravenswood, West Virginia has been a major contributor to the local economy for decades. The unemployment rate in Brooke County, where Jupiter is located, was 6.2%.

Unfortunately, those numbers belie the full extent of the problems West Virginia faces. Last year, the Labor Department reported that West Virginia was the only state where less than half of its adults worked. West Virginia's coal industry has lost over 10,000 jobs since 2009, and the state faces a \$360 million budget shortfall for 2017. The economic challenges in West Virginia underscore why the good paying jobs that companies like Constellium and Jupiter offer are so important to our state and our region.

I have had the honor of visiting Constellium's facility in Ravenswood. I toured the plant, met with its workers, and spent time with their families. I am proud of their community and Constellium's \$200 million of private investment in Ravenswood over the last ten years. I want to be proud of our government's support of domestic industry in the face of unfair trade practices.

Over the past several years, U.S. aluminum manufacturing has been under assault by the overcapacity and oversupply of China's aluminum industry. In 2000, China produced about 11 percent of the world's primary aluminum; now, China produces more than half. While China previously consumed the bulk of the aluminum it produced, China's economic slowdown has led to domestic oversupply in the Chinese market, resulting in the dumping of aluminum on the global market.

While the U.S. signed this spring an agreement with China to end export subsidies prohibited under the WTO, the agreement was both narrow and retrospective. There remains little sign of Chinese aluminum exports slowing. China's government continues to subsidize loss-making smelters and advance a trade policy that stimulates the export of semi-manufactured products through VAT refunds.

These unfair trade practices have led to eight U.S. aluminum smelters closing or curtailing since 2016, leaving only two fully operational domestic smelters. Without a level playing field, it is hard to see how domestic companies can continue to compete.

I am a believer in free trade and free trade agreements that open foreign markets for U.S. exports and foster greater efficiencies for U.S. consumers. But I am also a believer that companies need to play by the rules. When countries start dumping their product into the United States and injure our producers and workers in communities like Brooke County and Jackson County, we need to enforce our laws and ensure a level playing field. Constellium and Jupiter deserve the chance to compete in a fair environment, and that is exactly what U.S. law provides.

There are thousands of workers in West Virginia that will be directly or indirectly impacted by your decision. The future welfare of these people depends on the effective enforcement of our antidumping laws. The future of the U.S. aluminum industry is also at stake, I, for one, believe that we need an aluminum industry in the United States, just as we need a steel industry in the United States.

I would ask that the Commission give careful consideration in this investigation to ensure that the industry, its workers, and impacted communities are provided with a level playing field to compete. Lastly, I thank the Commission for the opportunity to provide my testimony on such an important matter.

Sincerely,

Shelley Moore Capito

Shelley Moore Capito
United States Senator