Ball Metal Beverage Container Corp.
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May 9, 2018

Mr. Robert E. Lighthizer, United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Re: *Planned Final Testimony to Speak at May 15, 2018 Hearing Related to Section 301: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation; Docket number: USTR-2018-0005*

I. Name and Address of Person Requesting to Make a Presentation.

- Mr. John Campbell
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III. Organization Represented.

- **Ball Corporation** and its affiliates, including Ball Metal Beverage Container Corp.

IV. E-mail Address.

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V. Planned Final Oral Presentation.

Mr. Chairman and members of the panel, thank you for the opportunity to appear before you this afternoon. My name is John Campbell and I am Vice President of Government Relations for Ball Corporation.

Ball Corporation is a Fortune 500 metal packaging manufacturing company with a rich 138-year history of providing well-paying jobs in communities across our country. Today we are the largest producer of aluminum beverage cans in the world. We employ 18,300 people worldwide of which 7,745 are here in the United States. We operate in 25 states. Each year, Ball produces approximately 100 billion metal beverage cans and approximately 3.7 billion metal food and aerosol cans.

We commend the administration for taking steps to rebalance the U.S. - China trade relationship. However, we respectfully request that the aluminum and steel products we use to make beverage and food cans be removed from the list of proposed products under consideration for additional tariffs.

Today we import from China between 2-4% of the aluminum cansheet we use. Our Chinese imports of tinplate steel are between 3-5%. Although these are small percentages, they represent an important component of our overall metal supply.

Ball Corporation has long partnered with U.S. steel and aluminum producers and relied upon domestically produced tinplate steel and aluminum cansheet for our can manufacturing operations. We look forward to continuing and strengthening those partnerships with U.S. steel and aluminum companies. In the short term, however, the domestic producers cannot currently produce sufficient quantities of these products to meet our needs, and we have no alternative but to request exclusions for these products from the Section 301 tariffs being considered.

Regarding steel, recent trends in U.S. tinplate steel production are uniformly downward. For each of the past five years, the availability and reliability of domestically produced tinplate have declined. Significant U.S. capacity has been permanently closed while remaining production sites have failed to keep pace with demand. According to the International Trade Commission, overall U.S. production of tinplate steel fell by 25% from 2014 to 2016. Overall U.S. production was 9.5 percent lower during the period January -September 2017 compared to the same period in 2016.[1]

Regarding the production of aluminum cansheet, we face a similarly constrained supply. The advantages of domestic production, in terms of lead times, freight, storage costs and currency risks are significant and having reliable U.S. suppliers enables us to remain flexible and responsive to our customers' current needs. While today we source a large majority of our aluminum cansheet domestically, we will most likely not be able to sustain such a large percentage of domestic purchases in

[1] See Prehearing Report, *Tin-and-Chromium-Coated Steel from Japan*, ITC Inv. No 731-TA-860 (Third Review) (Feb. 9, 2018), at III-4 & Table III03.

the coming years, as aluminum manufacturers convert from producing cansheet to other applications such as auto body sheet for the automobile market.[2]

Moreover, this trend of decreasing U.S. aluminum cansheet production to meet domestic demand is unlikely to be reversed in the near term. In 2019, the domestic production of cansheet will not meet our North American demand requirements. By 2020, we expect domestic cansheet production to have declined by 30%, and demand to remain flat.

Our limited Chinese imports help us respond to domestic supply disruptions, which occur almost every year. Without the opportunity to purchase cansheet from foreign suppliers, we risk becoming less competitive against other products that do not face similar tariffs.

Thank you again for the opportunity to testify.

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[2] See *Why US Aluminum Cansheet Imports are Vital,* by Tom Leary and Jorge Vazquez, Harbor Aluminum May 3, 2018.