

January 17, 2024

The Honorable Ken Buck (CO-4)
U.S. House of Representatives
2455 Rayburn House Office Building
Washington, DC 20515

Dear Congressmen Buck,

The undersigned organizations write in strong support of the bipartisan ***False Claims Enhancement Act***, critical legislation which would end the questionable practice of applying inappropriate tariffs on private contracts for materials where no tariff is owed.

Since the imposition of a 10% aluminum tariff was put into place in March 2018, the aluminum market has experienced unprecedented cost fluctuations that are completely disconnected from market fundamentals. This market disruption stems partially from aluminum producers, mills and traders that charge aluminum end-users a tariff on aluminum which should not be subject to a tariff. The unforeseen price variations have added billions of dollars in cost to end users and in turn have increased the price of soda and beer cans, food containers, cars, planes, boats, campers, and other goods that utilize aluminum.

Aluminum that is produced from scrap or recycled metal or is sourced domestically or from exempted countries like Canada, should not be subject to any tariff. According to the Aluminum Association, at a minimum 70% of aluminum used to manufacture beverage cans is made from recycled or scrap metal and should not be subject to tariffs. On top of that, more than 50% of primary aluminum comes from domestic or Canadian smelters and not subject to tariffs¹. However, it is clear these metals are currently being charged a tariff. Nevertheless, aluminum producers improperly overcharge end-users with these tariff charges. According to Harbor Aluminum, a respected leader in the aluminum market, the inflated cost to beverage companies alone is approximately \$2 billion since the imposition of the tariff in March 2018².

What is worse is the bulk of the duty collected is never paid to the government, resulting only in a windfall to the aluminum producers and can makers.

¹ U.S. Geological Survey, Mineral Commodities Summary, 2023
<https://pubs.usgs.gov/periodicals/mcs2023/mcs2023-aluminum.pdf>

² <https://www.beerinstitute.org/press-releases/on-national-beer-day-new-data-show-tariffs-on-aluminum-have-cost-the-u-s-beverage-industry-nearly-1-9-billion/>

This is why the False Claims Enhancement Act is so important. Not only will it stop the questionable policy of charging a tariff on non-tariff metal, but it will force the proceeds of legitimate tariffs to be remitted back to the federal government.

We thank you for your continued leadership on this issue and stand ready to support your efforts as this legislation moves through the House of Representatives.

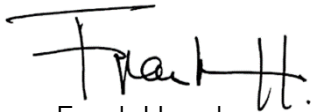
Sincerely,



Brian Crawford
President and CEO
Beer Institute



David Chavern
President and CEO
Consumer Brands Association



Frank Hugelmeyer
President
National Marine Manufacturers Association



Alison Keane
President and CEO
Flexible Packaging Association



Leslie G. Sarasin
President and CEO
FMI – The Food Industry Association



Barbara Hiden
Vice President, Head of Federal Affairs
American Beverage Association



Robert D. Pease
President and CEO
Brewer's Association