



## Chicago Yachting Association

What I found out so far:

The ONLY dumping of aluminum is for ONLY the alloys 3003 and 5052. 5XXX alloys / grades are used in some marine applications.

There are only 3 mills in the USA that produce sheet in the alloys that are used in the marine and automotive industries. One is ALCOA, who almost went out of the sheet business. Then the Automotive industry started to build more cars and trucks with aluminum sheet. This saved ALCOA. The other two mills are small independent mills and were also saved.

This surcharge started in the Obama years. Because of all the confusion as to what is dumped has everyone up at arms trying to assume other alloys are not being snuck into the states. China has caused this primarily in only two alloys, as I have stated. The 3003 alloy is primarily used in lawn furniture when extruded as tube and in sheet used in the marine industry. Most commonly, 6061 and 6262 are used. These are more expensive than the 3003 alloy. I assume that cheaper makes sense to those who use the 5XXX alloy sheet in the manufacturing of marine products, so they have a greater profit margin.

However, when the Government put on the 65% surcharge, the US mills raised their prices to be just below the dumped + the Surcharge price to increase their margins so that they would not be losing as before the Surcharge was implemented.

All other aluminum shapes, alloys and grades are NOT affected and only SHEET GOODS are getting the Surcharge. The 3003 alloy is typically made from the mix of various aluminum alloys that cannot be separated since they all look alike when they are scrapped. This alloy is the junk and a mix of the unknown.

I cut all kinds of aluminum alloys in my plant. I get paid for the scrap. I get less for my scrap when all the alloys are mixed than when I keep them separated. The alloys are color coded on the ends of the bars. So when I mix them as solids the junk yard can separate the alloys by the color on the bar ends. The chips are not discernible to separate, unless kept separated at the machine and tagged as that alloy. Pop cans, as we all know, are easy to separate. They are all made of the same alloy.

So YES, in the BIG Picture the marine industry is being hurt, but only if the alloy they choose is one of the ones with the surcharge. The other acceptable alloys are NOT in that family. So with that said, what is it the NMMA wants the Government to address. This has been in place since the last president, Obama. Now with the automotive, marine, lawn furniture industries, among so many others, are on the upswing, I'm not sure what to say about this situation. Especially since it has to do with only two alloys when there are a multitude of aluminum alloys out there to produce hundreds of thousands of items. You would be amazed how many grades of aluminum there are. So what was the Government's reasoning? I don't think it was to hurt the affected industries, but to prevent poorly produced materials from entering the USA.

Is the dumping continuing? I was told that it appears so. This surcharge may have been implemented by Obama to save ALCOA and the other two ONLY producers in the United States. However, at the same time he was trying to save the Automotive sector from a slow death. It appears he did not consider all the others hurt since it was ONLY TWO ALLOYS in a mix of many. Now the Auto and Marine as well as others have gone to Aluminum to lighten the load to improve fuel economy as it too was mandated by the Government. However, this poorly produced material is still entering the USA. Their concern is, can we trust this material not to be substandard as other materials from China were proven to be falsified and NOT what they certified it was in the past.

What a mess and now what to do?

I have attached some info you might want to read.

<https://www.clintonaluminum.com/uses-for-aluminum-alloys-in-boats/>