

December 4, 2013

The Honorable David Camp, Chairman
House Committee on Ways and Means
United States House of Representatives
1101 Longworth House Office Building
Washington, DC 20515

The Honorable Devin Nunes, Chairman
Subcommittee on Trade
House Committee on Ways and Means
United States House of Representatives
1013 Longworth House Office Building
Washington, DC 20515

Dear Mr. Chairmen:

Eramet Marietta, Inc. (“Eramet”) respectfully opposes legislative proposals to reduce or eliminate the tariffs currently imposed on manganese flake imports containing at least 99.5% manganese by weight (HTSUS 8111.00.47). S. 2379, for example, would reduce the duty rate for manganese flake imports from 14% to 12%, and H.R. 5469 would eliminate such duties entirely. Of particular concern is section 1494 of H.R. 2708 that incorporates a duty reduction to 12.4% into the Miscellaneous Trade Bill (MTB).

The Eramet group of companies is a global leader in the manganese products industry with operations in Illinois, Maryland, New Jersey, Ohio, Pennsylvania, Texas, Tennessee and West Virginia and employs approximately 500 American workers. We are thoroughly familiar with the competitive dynamics in the manganese industry and we support U.S. trade policy objectives in this important area.

The Memorandum of the International Trade Commission (“ITC”) on Proposed Tariff Legislation of the 112th Congress indicates that Eramet noted no opposition to the proposed elimination of import duty of manganese flake, but this is an incorrect representation of Eramet’s position. While it is indeed correct that our U.S. production of manganese flake ended due to

unfair import competition from China, we remain opposed to any reduction of U.S. import duties on manganese flake. Other countries' removal of an import duty on manganese flake eliminated all alternatives to Chinese manganese flake, which put at risk strategic defense industries. The United States is able to retain alternative supplies almost exclusively because of tariff policy decisions.

Passage of the provision that reduces or eliminates the duty rate for manganese flake imports permanently forecloses any opportunity for Eramet to operate a manganese flake facility in the United States. Furthermore, it negatively impacts the volume and prices of the company's primary domestic operation in Marietta, Ohio, which smelts manganese ferroalloys —a competing substitute for manganese flake — and which supports approximately 200 high wage manufacturing jobs that include management and members of United Steelworkers.

Another important consideration is that such duty reduction will unfairly benefit Chinese producers and undermine the clear purpose and effect of the African Growth and Opportunity Act (“AGOA”). Elimination of these duties clearly frustrates the legislative intent of AGOA and creates a situation where China — with a proven track record of manipulating raw material supplies — threatens to displace African suppliers to the U.S. market. U.S. purchasers would no longer have a clear commercial incentive to prefer Gabonese imports of manganese flake, and the African economic development that Congress intended to support would be stifled.

For these reasons, Eramet opposes any reduction of tariffs on manganese flake.

Sincerely,

John Willoughby, CEO
Eramet Marietta, Inc. and Eramet North America

cc:

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The Honorable Rob Portman
United States Senator
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