The Aluminum Association

703.358.2960
1400 Crystal Drive, Suite 430
Arlington, Virginia 22202

Submitted to sa.emissions@usitc.gov

January 5, 2024

Shova KC
U.S. International Trade Commission
500 E Street, SW
Washington, D.C., 20436

RE: Public Comments on the ITC Draft Questionnaire – Greenhouse Gas Emissions Intensities of the U.S. Steel and Aluminum Industries at the Product Level (ITC Investigation #332-598)

Dear Shova:

The Aluminum Association (the "Association") appreciates the opportunity to provide comment on the USITC's Draft Questionnaire – Greenhouse Gas Emissions Intensities of the US Steel and Aluminum Industries at the Product Level (ITC Investigation #332-598) as noticed on the USITC website and in the Federal Register at 88 FR 76854 on November 7, 2023.

The Association has long been a resource for the USITC on aluminum industry issues and is happy to continue with that support in the current 332 investigation. Since the initiation of the investigation in July 2023, the Association has provided briefings, coordinated member facility plant tours, and supplied a variety of industry GHG emissions information to assist USITC with the development of its questionnaire and methodology. The USITC has now requested comment on both the Proposed Methodology for Generating Product-Level emissions of U.S. Steel and Aluminum and on the Greenhouse Gas (GHG) Emissions Intensity Questionnaire. Association comments on both of these documents are below for USITC review and consideration.

Proposed Methodology for Generating Product-Level Emissions of U.S. Steel and Aluminum

Comment #1 - General

The Association supports the use of existing GHG emissions data reported into the EPA GHGRP as the baseline for facility level Scope 1 emissions information with supplementation of additional information requested and submitted as required to provide complete responsiveness to the USTR request.

The Association also supports the use of calendar year 2022 as the base year for data reporting. This aligns well with the most recent GHGRP data as recently released to the public and is recent enough that the data is still relevant and accessible to stakeholders for reporting.

Comment #2 – Page #2, Cradle-to-Gate

Although it can be inferred from the language in the second paragraph under II System Boundaries, the USTIC should clearly state that the scope of GHG emissions associated with products for this data collection are 'cradle-to-gate'.

Comment #3 – Page #3, Product Flow Diagrams

Since the production processes and the flows of materials are critical for data providers to submit correct information, the process diagrams should be made more specific and accurate to each category of the products covered. Product specific diagrams for the different HTS code product categories should be provided to guide correct reporting within those categories.

Comment #4 - Page #4, Figure 1, System Boundary

The green circle representing 'castings' is labeled as 'wrought'. Although 'castings' are listed on the USTR request in Appendix B under the 'Wrought Products' heading, castings by definition are 'unwrought' rather than 'wrought'. The Association suggests USITC revise the diagrams to reflect accurate nomenclature as commonly utilized by the aluminum industry.

Comment #6 - Page #6, Process Allocation Approach

The Association agrees with the proposed approach of allocating emissions through a facility-process-product methodology.

Comment #7 - Pages #9 and #10 – Low Voltage Anode Effects (LVAEs)

As the USITC is aware, the understanding of LVAEs and their resultant GHG emissions is a nascent and evolving area without reporting requirements in place under the EPA GHGRP. Therefore, any data from LVAEs that is incorporated into the emissions estimates for primary aluminum production should be considered of lower data quality for subsequent evaluation and use.

Comment #8 - Pages #19 and #20, Treatment of Alloying Elements Used in Aluminum

The Association supports the use of primary aluminum as the emission factor for alloying agents added to aluminum, as this is consistent with the Association's longstanding LCA approach.

Comment #9 - Pages #21 and #22 – Byproducts

As currently designed, no Scope 3 emissions will be assigned to aluminum recovered from dross recycling. Because aluminum recovered from dross recycling is most often returned for remelting in the form of Recycled Secondary Ingot (RSI), there is a known quantity of emissions arising from that recovery process that can be incorporated as Scope 3 emissions when the RSI is remelted. USITC should further consider this for inclusion as Scope 3 emissions at the RSI remelting facility.

Comment #10 - Page #22, Scrap Reporting

The Association supports the reporting of the type and quantity of aluminum scrap used in the aluminum production process as this information can help contextualize the relationship between scrap utilization and GHG emissions. Related, the Association supports USITC's request for separate reporting of pre-consumer and post-consumer scrap amounts to the extent that information is known to the reporting entity, as this aligns with the transparency guidance recently adopted by the International Aluminium Institute.

Greenhouse Gas (GHG) Emissions Intensity Questionnaire

Comment #1 – General, Data Knowledge and Quality

The questionnaire is designed to be completed at the facility level and in many cases the facility and even the corporate entity may be unaware of the sourcing details for their input materials as it relates to percentage composition and location of origination. Although supply chain transparency is improving, the questionnaire should provide guidance to reporters on how to handle reporting when only limited visibility into their supply chain is known.

Comment #2 – General, Product and Production Process Detail

The range of GHG emission intensity may vary substantially from facility to facility, even if facilities manufacture similar products, and even if the facilities are operated by the same company. Many factors may explain these differences, from age of the facility (and thus related production equipment) to availability of energy supply or of raw materials. The questionnaire is designed to get data by HTS code product group (e.g., plates/sheet/strip, rod/bars/profiles, etc.). But there are no questions about specific products or production processes that may explain variations. Will it be possible to make accurate analyses and conclusions about GHG emissions, or be able to account for non-respondents, if there are large GHG intensity variations within product groups?

As a further example of this, the HTS Codes used for facility data collection are quite broad – for example, HTS Code 7606 for 'plates, sheets and strip' encompasses a wide variety of products that can have significantly different embodied carbon profiles based on their specific application. For example, can sheet manufactured in the U.S. contains a high percentage of post-consumer recycled content due to the quantity of used beverage cans integrated into new sheet production which in general lowers the embodied carbon of that product. Auto body sheet, by comparison, does not have similarly robust availability of used auto body sheet available at this time as most vehicles utilizing a high amount of aluminum body sheet have not yet reached the end of their useful life. In general, this results in higher embodied carbon of that product owing to its higher use of primary aluminum inputs. However, both products fall within the broad 7606 HTS code category contained in the survey request. The impacts are quite significant as shown by the work of the Association in evaluating these different products. In the Association's 2022 Semi-

Fabricated Product LCA Report, the embodied carbon for the average of all North American aluminum sheet produced incorporating North America sourced primary metal is 3.9 kg CO2e/kg Al while the embodied carbon for the subset of auto body sheet product is 7.8 kg CO2e/kg Al. Calculation of one embodied carbon value for the broad 7606 HTS code would not account for the inherent variations across sheet types and may not provide the granularity that USITC seeks as it considers differentiation of imported products by carbon intensity. For this reason, the USITC should consider collecting data at the 6 digit HTS code level in 4 digit HTS code categories where there is expected to be significant variation in embodied carbon emissions.

Comment #3 – General, Castings are not Wrought Products

Castings are included as wrought products in the questionnaire. But they are not wrought products, i.e., there is no mechanical shaping (rolling, extruding, etc.) of the solid metal. The USITC should clearly separate castings from wrought products, or just state in definitions that they are grouped with wrought products for the purposes of the investigation. Also, "near net shape" is also a more common term for castings, not "near-finished" as stated in the definition on p. 6 (see USITC Foundry Products report (pub no. 3771) for more information on aluminum castings). The definition should also note that castings include rough and finished castings.

Comment #4 – Definitions, Page #6

More clarity is needed in the definition of "Aluminum Castings" and "Aluminum Forgings" for purposes of the questionnaire.

Because the castings covered in this investigation are only those classified in HTS 7616.99.5160, the castings definition should include information about what castings are not included (they are not the unwrought shapes such as billets, ingots, etc., even though these are formed by casting molten metal). The covered castings are much more limited than all castings. For example, products typically cast include engine cylinder heads, other engine parts, other car parts, etc., but these are not covered castings (they are parts of engines classified in other HTS chapters). Also, cast aluminum tube/pipe fittings are also not covered as they are classified in the more specific codes in HTS 7609.

The following are Customs' classification rulings that show castings that would not be covered in this investigation (to view these rulings, go to https://rulings.cbp.gov/home and enter ruling number in search box). Though some of these rulings do not always cover products made of aluminum, the same classification principles apply.

- E82902: Cast crankshaft net shape blanks classified in 8483.10.3050
- N276963: Cast-iron cylinder head in 8409.99.1040
- L83113: Classification of a cast aluminum electrical connector housing in 8538.90.8080
- L83398: Classification of a cast brass fitting in 7412.20.0035

Without further clarification, it will be difficult for respondents to determine which casting products are covered. The following Customs' classification rulings show examples of covered

castings and it is apparent covered castings include widely disparate products that likely have a wide variety of production processes. The USITC should consider how these products will be handled in the analysis of GHG emissions.

- N302374: Example of a covered casting (aluminum alloy sacrificial anodes)
- G81782: Another example of a covered casting (wire bundle coupling)
- N273463: Another example of a covered casting (cigarette case)

The same issues noted above for castings also applies to forgings in the 7616.99.5170 HTS classification.

To help resolve the above-noted issues, "castings" and "forgings" should both have "covered" included in the product name in all cases (in a few cases, the questionnaire already does this). A reference to the definition should also be included so it is very clear that only castings classified in 7616.99.5160 and forgings classified in 7616.99.5170 are covered products.

Comment #5 – Section 2.2.1, Page #25 and following, Unalloyed vs. Alloyed

Reporting is requested on production of primary unwrought aluminum. The USITC should consider further segregating this category into production of primary unwrought aluminum – unalloyed and production of primary unwrought aluminum – alloyed. This differentiation would help clarify data calculation and analysis efforts as unalloyed primary aluminum is typically remelted and then alloyed into products to be used in semi-fabricated aluminum production, whereas alloyed primary aluminum can be directly utilized for semi-fabricated aluminum production.

Comment #6 – Section 2.2.2, Page #26, Toll Production

Secondary producers in some cases produce unwrought aluminum using a toll arrangement for their customers (i.e. the producer does not own the metal and only converts it from one form to another while the customer retains ownership). The USITC should consider whether any differentiation for toll processing is needed.

Comment #7 – Section 2.2.3, Page #26, Fittings

Tube/pipe and tube/pipe fittings are combined in the table. Since they are two different HTS codes, there should be separate lines for each.

Comment #8 – Section 5, Page #70, Externally Sourced Scrap for all production categories

Clarification should be provided that 'external' in this context refers to 'external' to the facility and not 'external' to the company, if that is indeed the case.

Comment #9 – Section 5.2.1.a, Page #70, Inputs to Primary Aluminum Production

Primary aluminum production does not typically involve the incorporation of external scrap into the product and the Association is not aware of any US primary production facilities where this occurs. However, primary producers outside the US have started to incorporate scrap as a means of reducing the product carbon footprint and we recommend maintaining the line referencing aluminum scrap metal inputs to provide additional insight into the current US situation.

Additionally, run-around or internal scrap should be removed as an input line item as it is incorporated into the product and not counted as a separate quantity.

Comment #10 – Section 5.2.6, Page #71 and following, U.S. Sources

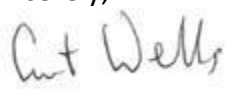
In parts b and c, "U.S. sources" may be confusing. Respondents may interpret this as sourced from U.S. companies, regardless of location. Suggest using "Produced in facilities located in the United States", if the objective is to get the actual location of production.

Comment #11 – Section 6.2.2 and 6.2.3, Page #84, PFCs from LVAEs

Include all PFCs from LVAEs rather than limiting it to just CF4, as there may be others such as C2F2.

The Association appreciates the opportunity to provide these comments to the USITC as it works to finalize the draft questionnaire. If you have any questions or would like to discuss any of these issues in greater detail, please do not hesitate to contact me at 703-358-2976 or cwells@aluminum.org.

Sincerely,



Curt Wells
Senior Director of Regulatory Affairs and Corporate Stewardship
The Aluminum Association