

American Federation of Labor and Congress of Industrial Organizations

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July 14, 2022

The President
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

The actions you and your administration have taken to make the United States more competitive in manufacturing are bearing fruit. Manufacturing employment continues to increase, and now exceeds the level before the pandemic. The construction of new factories is up sharply. With your leadership, for the first time in our history, the United States has a strategy for identifying and securing critical domestic supply chains. These achievements are putting the United States on a path to a cleaner, more prosperous future with more middle-class jobs.

To fully realize that future, the United States must be able to produce the basic materials needed in an advanced economy, and key among those materials is aluminum. From the defense sector and the automotive industry, to wind, solar, and other clean energy goods, aluminum is a fundamental input. The United States must have a secure, domestic supply of primary and secondary aluminum to achieve our climate, economic and national security goals.

Unfortunately, the United States is deeply and increasingly dependent on imported aluminum, the result of an all-too-familiar story of overcapacity, subsidies to foreign competitors, and failed trade deals. The United States continues to lose aluminum production capacity, and the few remaining producers face foreign competition that typically enjoys favorable power prices. The unavailability of competitively priced electricity caused the recent shutdown of a high-purity smelter in Kentucky, and is preventing the reopening of the Intalco smelter in Washington State.

The Intalco facility is ready to reopen if the Bonneville Power Authority (BPA) agrees to sell the needed power at a rate similar to the commercial price the facility had before closing in 2020. If reopened, the facility would not only reestablish the only primary aluminum production west of the Mississippi and bring back hundreds of high quality jobs, but also be one of the cleanest producers in the world, and an anchor for additional economic and clean power development.

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By contrast, if the facility cannot be reopened soon, it will be decommissioned and lost forever. There is no question that BPA can supply the power needed to reopen this smelter, as BPA just this year became a full participant in the Western Energy Imbalance Market, in part because it would "...increase revenues by providing a new way to market surplus power.¹"

I urge you to explore all avenues to ensure that the Intalco facility has access to the electricity it needs to restart production. BPA can use its existing authority to provide the needed power, but despite a concerted effort by business, labor and public officials, no progress has been made over many months of discussion. Labor would strongly support the use of the Defense Production Act, accompanied by a presidential determination of necessity, as an efficient and effective mechanism to reopen this facility.

The domestic production of basic materials is necessary for the U.S. to have a dependable supply chain, for national security, and to meet our climate goals. I look forward to working with you to ensure that the United States takes the actions necessary to reopen the Intalco facility, and to rebuild our domestic aluminum industry.

Sincerely,

Elizabeth H. Shuler

President

cc: Secretary Jennifer M. Gramholm

AFL-CIO Industrial Union Council AFL-CIO Energy Committee

Elizabeth H. Shulm

¹ https://www.bpa.gov/-/media/Aep/finance/quarterly-reports/q2-fy22-quarter-report.pdf. p.6