



Leo W. Gerard
International President

September 15, 2016

VIA EMAIL

The Honorable Jacob Lew
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Lew:

I am writing to request that the Committee on Foreign Investment in the United States (CFIUS) engage in a review of the proposed acquisition of Aleris Corporation by Zhongwang USA, which is led by Mr. Liu Zhongtian, founder of China Zhongwang Holdings Limited. This transaction should be subject to strict scrutiny and rejected because of its potential impact on U.S. national security and the pattern of activities of its owners as identified in the press.

The United Steelworkers (USW) has a direct interest in this transaction. More than 950 of our members are employed by Aleris at several facilities throughout the United States. Thus, not only are their jobs at stake, but as citizens, they are deeply concerned about the transaction's impact on U.S. national and economic security. Aleris is a leading producer of aluminum and high-value advanced materials that are utilized by the aerospace, automotive, construction, commercial transportation and industrial manufacturing industries. Their products are also used in a broad section of national security applications including in the development and production of ballistic-resistant aluminum.

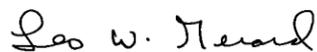
Aluminum is a critical material used in multiple national security applications. Over the last several years, the industry has been battered by unfair and illegal trade practices, including the massive buildup of overcapacity in the sector in China. Producers ranging from primary aluminum through extrusions here in the U.S. have not been able to withstand the onslaught of these predatory practices. In 2000, there were 23 smelters operating in the United States. Today we are down to only five operating smelters. It is vital that we retain sufficient domestic production capacity to meet our national security needs, including for critical infrastructure and the capacity to provide resiliency in the face of unknown risks. As well, we need to retain control over the research and development of new products and applications to help ensure and enhance our national security interests.

The above are the direct reasons for a thorough and strict review of this acquisition which we believe, will result in CFIUS' rejection of the acquisition by Zhongwang. But, in evaluating the assets, including R&D that are in question, we believe that the track record of Zhongwang must also be taken into account in the review.

The Zhongwang Group's chairman, Mr. Zhongtian Liu, is a member of the Chinese Communist Party and has been recognized for his work on behalf of the government and the party. In the face of numerous trade complaints before the U.S. Government relating to investigations and administrative reviews of antidumping and countervailing duty orders on extruded aluminum products, the company refused to participate in these official proceedings. Further, there have been numerous allegations of a pattern of evasion and circumvention of U.S. laws as recently noted in an article in the Wall Street Journal Chinese Billionaire Linked to Giant Aluminum Stockpile in Mexican Desert. According to allegations and the news account, the "Chinese metals conglomerate China Zhongwang, used a factory in Mexico to game the global trade system."

Zhongwang's attempt to take over Aleris is a critical transaction that comes at a time when the U.S. aluminum sector is extremely vulnerable as a result of unfair, illegal, predatory and protectionist practices – many of which included the activities of the ultimate beneficial owner in this transaction. The aluminum sector is critical to America's national security and, for that reason alone, the acquisition should be rejected. But, in our view, it is also critical to America's economic security and we believe that national and economic security are inextricably intertwined.

Sincerely,



Leo W. Gerard
International President