



October 22, 2019

Representative Austin Scott
Rayburn House Office Building, 2417
Washington, D.C. 20500

Senator Mike Crapo
239 Dirksen Building
Washington, DC 20510

Dear Representative Scott and Senator Crapo:

The undersigned, dedicated to promoting free markets, limited government, and constitutional principles, write to express serious concerns about a piece of legislation known as the APEX Act. The Aluminum Pricing Examination (APEX) Act has been proposed for the express purpose of empowering the U.S. Commodity Futures Trading Commission (CFTC) to impose government controls on the pricing for aluminum. Such price controls represent an abuse of government that would threaten domestic aluminum production, strengthen foreign manufacturers and dangerously disrupt the aluminum commodities market.

This unnecessary bill is premised upon inaccurate information about the aluminum marketplace. Proponents of the APEX Act allege that the Midwest Premium, an independent assessment of aluminum prices in the Midwest, is being “artificially inflated” and therefore must be regulated via price controls. This claim has been thoroughly debunked by the CFTC itself, which testified before Congress that despite close monitoring they “have not found manipulation” in aluminum pricing.

The bill would give the CFTC sole jurisdiction over setting the price of aluminum. In doing so, the bill would dismantle the current system in which multiple companies with no financial interest in the pricing compete to transparently provide the most accurate assessments of the aluminum marketplace and replace it with an opaque government process vulnerable to political pressures from the same powerful industries that are currently pressing for passage of the APEX Act.

By granting the government authority to arbitrarily alter market signals, supporters of the APEX Act—such as certain beer manufacturers with a history of working with politicians to distort the free market—are openly seeking to artificially deflate the price of aluminum. Such an outrageously crony abuse of government is unethical, and history shows that it will only worsen matters by further distorting the market and creating or exacerbating shortages. Domestic producers, faced with extensive government regulations and thinner profit margins, would find it increasingly difficult to survive and further erode domestic supply, a boon for foreign producers.

Republicans and Democrats alike have voiced concerns regarding America’s competitiveness within the aluminum industry. There is wide agreement that the market for American metals must remain a

vibrant aspect of the U.S. economy. The APEX Act is a dangerous piece of legislation, reflecting both a misunderstanding of industry pricing as well as a misapplication of government authority. We respectfully urge you to work with the House of Representatives and the Senate to ensure that this potentially devastating bill is never enacted.

Sincerely,

Andrew F. Quinlan
President, Center for Freedom and Prosperity

Ian Murray
Vice President for Strategy, Competitive
Enterprise Institute

David Williams
President, Taxpayers Protection Alliance

Seton Motley
President, Less Government

Steve Pociask
President, American Consumer Institute

Judson Phillips
Founder, Tea Party Nation

Norm Singleton
President, Campaign for Liberty

Matthew Kandrach
President, Consumer Action for a Strong
Economy

Harry C. Alford
President/CEO, National Black Chamber of
Commerce

Sean Noble,
President, American Encore

Charles Sauer
President, Market Institute

Chuck Muth
President, Citizen Outreach

Andrew Langer
President, Institute for Liberty

Tom Giovanetti
President, Institute for Policy Innovation

George Landrith
President, Frontiers of Freedom

Peter Ferrara
Senior Policy Adviser, National Tax Limitation
Committee

Jim Martin
Chairman, 60 Plus Association

Note: Organizations are listed for identification purposes only.

Cc: Mitch McConnell, Senate Majority Leader

Cc: Kevin McCarthy, House Minority Leader