

CAL DOOLEY
PRESIDENT AND CEO



October 26, 2017

Dear Members of the United States Senate and House of Representatives:

The American Chemistry Council (ACC) commends the White House and leaders in Congress for recognizing the need for comprehensive tax reform and taking concrete steps forward. We strongly encourage enactment in the 115th Congress of a fair, simpler, and internationally competitive system that promotes American economic growth and new jobs.

ACC represents the leading companies engaged in the business of chemistry. Chemistry is an advanced manufacturing industry and essential to our economy. We provide 811,000 skilled American jobs and account for 14 percent of U.S. exports. Over 25 percent of U.S. GDP is generated from industries that rely on chemistry, from agriculture and electronics to textiles, vehicles, and energy-efficient materials and technologies used in building and construction.

Thanks to the development and availability of domestic shale gas – a key source of energy and feedstock for chemical manufacturing – our industry is investing \$185 billion in new facilities and expanded production capacity in the United States. Fully 62 percent of this is foreign direct investment. In 2016, the chemical industry accounted for 48 percent of all manufacturing construction spending, outpacing even transportation and health care.

Chemical industry investment will help grow the economy, create jobs, and improve living standards, but fully realizing the opportunity will require reliable access to new capital. For companies considering further investment, a significant concern is the future of tax provisions that underpin multi-billion dollar investments.

We believe tax reform must reflect the importance of American manufacturing and the jobs it creates. We support a substantial rate reduction to reflect rates at least comparable to OECD averages, a competitive territorial system, and transition rules that avoid financial dislocation, contraction or reduction in jobs. Reform should create a more level playing field for U.S. and foreign companies when they invest at home or abroad.

Outside of comprehensive tax reform, we strongly oppose proposals to immediately tax historical foreign earnings. If deemed repatriation is included, lawmakers must enact a bifurcated rate – one with a substantially lower rate for earnings reinvested in plants and equipment than for cash/cash equivalents. We support permanent reform in order to drive sustained economic growth in the 21st century.



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We urge policymakers to take advantage of this once-in-a-generation opportunity to enact comprehensive tax reform. The decisions Congress makes will be critical to ensuring a strong and competitive American manufacturing sector and chemical industry for the long term. We look forward to being a resource and working with you to develop and enact reform.

Sincerely,

A handwritten signature in black ink that reads "Cal Dooley". The signature is written in a cursive, slightly slanted style.

Cal Dooley

