



April 28, 2014

The Honorable Ron Wyden  
Chairman, Committee on Finance  
United States Senate  
Washington, D.C. 20510

The Honorable Orrin Hatch  
Ranking Member, Committee on Finance  
United States Senate  
Washington, D.C. 20510

Dear Chairman Wyden and Ranking Member Hatch:

The American Chemistry Council (ACC) strongly supports current initiatives to expand access for U.S. exports to key international markets and in particular the Trans-Pacific Partnership (TPP) and Trans-Atlantic Trade and Investment Partnership (TTIP) negotiations. The business of chemistry in the United States is in the midst of an unprecedented boost in competitiveness, largely due to the increased supply of low-cost natural gas, a feedstock and a power source for chemical manufacturing. Over US\$100 billion in new investments or expansions of existing facilities have been announced as a result of this boom, around half of which is foreign direct investment. ACC forecasts U.S. chemical exports to grow significantly in future years, surpassing US\$200 billion in 2014 and expanding nearly 8 percent per year through 2018. This makes the search for new markets, and the reduction or elimination of trade barriers in existing ones a core priority for the U.S. chemical industry. An ambitious trade agenda will capitalize on the chemical industry's expansion to promote economic growth and job creation, enhance U.S. competitiveness, and expand consumer choice.

ACC represents the leading companies engaged in the business of chemistry. The U.S. business of chemistry is a \$770 billion enterprise providing approximately 788,000 high-paying jobs in the U.S. The American chemical industry produces 15% of the world's chemicals and represents 12% of all U.S. exports.

The European Union remains one of the U.S. industry's largest foreign markets, with two-way trade in chemicals totaling more than \$52 billion in 2013. While current chemical tariffs on trans-Atlantic trade are relatively low, the high volume of trade means that the elimination of remaining tariff barriers would result in significant savings for chemical manufacturers of around US\$1.5 billion per year, around a third of which is intra-company trade.

The potential savings from reducing or eliminating regulatory barriers to trade with Europe are even greater. Enhanced regulatory cooperation has the potential to significantly reduce costs for governments and industry alike, while maintaining high levels of protection for human health and the environment. The goal of stronger U.S.-EU regulatory cooperation is to support current regulatory mandates, while seeking to ensure that those mandates do not result in unnecessary barriers to trade. A

more efficient and effective trans-Atlantic regulatory environment would provide a significant boost to innovation, growth and jobs, while ensuring that regulatory objectives are achieved.

ACC and its member companies strongly support the negotiation of a comprehensive, ambitious TTIP. For the chemical industry, and for the broader economy, it has the potential to provide a significant boost to the recovering economy through market growth and job creation, which in turn would promote innovation and strengthen the international competitiveness of U.S. exporters. The successful conclusion of negotiation on the TTIP would also send an important signal to the rest of the world at a time when multilateral approaches to trade liberalization have stalled.

ACC also calls for the swift conclusion of negotiations on the TPP, which would create a trade bloc with GDP 40% larger than that of the EU. The chemical sector strongly supports the TPP, and views it as an opportunity to build consensus around new, high-standard trade disciplines that address current and emerging trade issues. ACC analysis shows that the TPP agreement has the potential of generating \$1.2 billion in export growth for the chemical industry. In addition to eliminating tariffs on chemical trade, ACC strongly support efforts to strengthen cooperation on regulatory issues in the region.

To ensure the conclusion of comprehensive and ambitious TPP and TTIP agreements, it is essential that Congress grant renewed Trade Promotion Authority (TPA). It is simply not feasible to expect our negotiating partners to put their best offers on the table in the absence of TPA. Updating TPA would help strategically guide U.S. negotiating goals across a range of critically important issues including defining negotiating scope, procedures, structure framework, and pathway for addressing issues before, during and after the negotiations. ACC urges the Administration and Congress to move expeditiously on bipartisan legislation to renew TPA.

Finally, ACC strongly encourages the U.S. government to continue to play a strong leadership role and be fully engaged in the Asia-Pacific Economic Cooperation (APEC) forum. Under the heading of APEC's overall commitment to Regional Economic Integration, the APEC Chemical Dialogue has made some significant contributions to regional understanding of ways to promote sound chemicals management and reduce nontariff barriers while stimulating growth, innovation and trade. ACC encourages the U.S. to support and contribute to APEC's ongoing efforts to promote regulatory cooperation throughout the Asia-Pacific region.

Sincerely,



Cal Dooley

