April 22, 2015

The Honorable Orrin G. Hatch  The Honorable Ron Wyden
Chairman  Ranking Member
Committee on Finance  Committee on Finance
United States Senate  United States Senate
219 Dirksen Senate Office Building  219 Dirksen Senate Office Building
Washington, D.C. 20510  Washington, D.C. 20510

Dear Chairman Hatch and Ranking Member Wyden:

The American Chemistry Council (ACC) strongly supports current initiatives to expand access for U.S. exports to key international markets. We particularly support the Trans-Pacific Partnership (TPP) and Trans-Atlantic Trade and Investment Partnership (TTIP) negotiations as a means to achieve these export objectives. Trade Promotion Authority (TPA) renewal is among the most critical trade votes Congress must undertake to realize America’s ambitious trade agenda and support expanded growth in exports. We urge Congress to renew TPA as soon as possible.

The business of chemistry in the United States is enjoying an unprecedented boom in competitiveness and growth, largely due to the increased supply of low-cost natural gas, a feedstock and a power source for chemical manufacturing. As a result of shale gas, more than 229 separate chemical manufacturing investments have been announced since 2010, representing a cumulative capital investment of $140 billion in new chemical capacity. This new capacity will exceed U.S. domestic demand, and will necessarily serve important export markets. Even with the recent drop in oil prices, gross exports of chemical products linked directly to natural gas are projected to double in the next fifteen years, from $60 billion in 2014 to $123 billion by 2030, according to a recent report from Nexant, Inc. However, enhanced U.S. chemical export performance will depend on many factors, including the U.S. pursuing the right trade policies that further strengthen the competitive position of the U.S. industry.

TPA is critical to completing the trade agreements now being negotiated. TPA will therefore help open markets and help ensure the U.S. chemical industry can capitalize on its massive export potential.
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The Congressional trade agenda should also include the reauthorization of the Miscellaneous Tariff Bill (MTB). U.S. manufacturers large and small use the MTB’s tariff suspension provisions to obtain raw materials, proprietary inputs and other products that are not available in our nation without incurring unnecessary tariff barriers. Each day that passes without an MTB process hurts American manufacturers’ ability to do business. In fact, the failure to pass the MTB has essentially imposed a tax on manufacturers of $748 million and economic losses of $1.857 billion over three years. The impacts extend to the people and businesses that depend on manufacturing. Ramifications are experienced throughout the supply chain, from the suppliers, to the millions of people who are employed in manufacturing, to the local governments that depend on the spending and tax revenue generated by the industry. Any action to reduce barriers to domestic production and increase the competitiveness of U.S. companies must include the reauthorization of MTB.

For U.S. chemical manufacturers to succeed in today’s global economy, we must be able to compete effectively in international markets. For this reason, we support an ambitious trade agenda, including TPA and MTB, that deliver enhanced access to overseas markets and support the competitive position of U.S manufacturers. ACC looks forward to working with you to ensure that an ambitious trade agenda delivers on its promise.

Sincerely,

Michael P. Walls  
Vice President  
Regulatory & Technical Affairs

Cc: Members of the Senate Committee on Finance