



**American Chemistry Council
Rebuttal Comments**

“Proposed Modification of Action Pursuant to Section 301: China’s Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation”

Docket No. USTR-2019-0004

July 3, 2019

On behalf of U.S. chemical manufacturers, the American Chemistry Council (ACC) appreciates the opportunity to provide rebuttal comments on the proposed \$300 billion in imports from China ("List 4") to which the Administration may apply an additional 25 percent tariff.

During our testimony, Section 301 Committee staff asked ACC to provide additional material and data in several areas. These rebuttal comments respond to those requests.

1. 114 Chemical and Plastics Products Removed from Proposed List 3 and Added to Proposed List 4

The table below covers the 114 eight digit Harmonized Tariff System (HTS) lines for chemicals and plastics that the Section 301 Committee removed from the proposed List 3 and added to the Proposed List 4. For 40 of these 114 products, ACC estimates that 100 percent of global imports into the United States are from China. ACC respectfully requests that the Section 301 Committee remove all 114 eight digit HTS lines from the proposed List 4.

HTS NUMBER	DESCRIPTION
2811.19.10	Arsenic acid
2818.10.10	Artificial corundum, crude
2818.10.20	Artificial corundum, in grains, or ground, pulverized or refined
2818.20.00	Aluminum oxide, other than artificial corundum
2826.90.90	Other complex fluorine salts, nesoi
2827.39.10	Vanadium chlorides
2827.49.50	Chloride oxides and chloride hydroxides other than of copper or of vanadium
2829.90.25	Sodium bromate
2837.19.01	Cyanides and cyanide oxides, except those of sodium



HTS NUMBER	DESCRIPTION
2903.21.00	Vinyl chloride (Chloroethylene)
2903.39.20	Fluorinated, brominated or iodinated derivatives of acyclic hydrocarbons, nesoi
2903.77.00	Other acyclic hydrocarbon derivatives, perhalogenated only with flourine and chlorine
2903.79.10	Bromochloromethane
2903.89.05	Dibromoethyldibromocyclohexane
2903.89.11	Halogenated pesticides derived in whole or in part from benzene or other aromatic hydrocarbon, nesoi
2903.89.31	Chlorinated, but not otherwise halogenated derivatives of cyclanic, cyclenic or cycloterpenic hydrocarbons
2903.93.00	Halogenated derivatives of aromatic hydrocarbons, pentachlorobenzene
2903.99.05	3-Bromo-alpha,alpha,alpha-trifluorotoluene; and other specified halogenated derivatives of aromatic hydrocarbons
2903.99.08	p-Chlorobenzotrifluoride; and 3,4-Dichlorobenzotrifluoride
2903.99.15	Triphenylmethyl chloride
2903.99.80	Other halogenated derivatives of aromatic hydrocarbons, nesoi
2907.29.10	Pyrogallic acid
2908.19.15	3-Hydroxy-alpha,alpha,alpha-trifluorotoluene
2908.99.06	4-Hydroxy-1-naphthalenesulfonic acid
2908.99.25	Nitrophenols, except p-nitrophenol
2909.30.07	Decabromodiphenyl oxide; and octabromodiphenyl oxide
2909.30.09	Bis-(tribromophenoxy)ethane; pentabromodiphenyl oxide; and tetradecabromodiphenoxy benzene
2909.30.10	6-tert-Butyl-3-methyl-2,4-dinitroanisole (Musk ambrette) and other artificial musks
2909.30.30	Pesticides, of aromatic ethers and their halogenated, sulfonated, nitrated or nitrosated derivatives
2912.19.40	Isobutanal
2912.41.00	Vanillin (4-Hydroxy-3-methoxybenzaldehyde)
2914.69.60	1,4-Dihydroxyanthraquinone; and 2-ethylanthraquinone
2914.69.90	Quinones, nesoi
2914.79.40	Other halogenated, sulfonated, nitrated, etc derivatives of aromatic ketones and quinones whether or not with other oxygen function
2915.39.35	Aromatic esters of acetic acid, nesoi
2915.40.20	Aromatic salts and esters of chlorocetic acids, described in additional U.S. note 3 to section VI
2916.34.15	Odoriferous or flavoring compounds of phenylacetic acid and its salts
2916.34.25	Phenylacetic acid salts, nesoi, described in additional US note 3 to section VI
2916.39.08	4-Chloro-3-nitrobenzoic acid
2916.39.12	4-Chloro-3,5-dinitrobenzoic acid and its esters



HTS NUMBER	DESCRIPTION
2916.39.79	Other aromatic monocarboxylic acids, their anhydrides, halides, peroxides, peroxyacids and their derivatives
2917.19.30	Ethylene brassylate
2917.19.70	Acyclic polycarboxylic acids and derivative (excluding plasticizers)
2917.39.08	Naphthalic anhydride
2917.39.17	Tetrabromophthalic anhydride
2918.19.20	Aromatic carboxylic acids with alcohol function, w/o other oxygen functions, and their derivatives, described in add. U.S. note 3 to sec. VI
2918.19.31	Aromatic carboxylic acids with alcohol function, without other oxygen functions, and their derivatives, nesoi
2918.29.25	3-Hydroxy-2-naphthoic acid
2918.99.06	1-Hydroxy-6-octadecyloxy-2-naphthalenecarboxylic acid; and 1-hydroxy-6-docosyloxy-2-naphthalene carboxylic acid
2918.99.20	Aromatic pesticides, derived from carboxylic acids with additional oxygen function, and their derivatives, nesoi
2918.99.35	Odoriferous or flavoring compounds of carboxylic acids with additional oxygen function, and their derivatives, nesoi
2918.99.47	Other aromatic carboxylic acids with add'l oxygen function and their anhydrides, halide, etc deriv (exclud goods in add US note 3 to sec VI)
2918.99.50	Nonaromatic carboxylic acids with additional oxygen function, and their derivatives, nesoi
2920.22.00	Diethyl phosphite
2920.90.51	Nonaromatic esters of inorganic acids of nonmetals and their salts and derivatives, excluding esters of hydrogen halides, nesoi
2921.12.01	2-(N,N-Dimethylamino)ethyl chloride hydrochloride
2921.42.10	N,N-Dimethylaniline
2921.42.18	o-Aminobenzenesulfonic acid; 6-chlorometanilic acid; 2-chloro-5-nitroaniline; 4-chloro-3-nitroaniline; dichloroanilines; and other specified
2921.42.55	Fast color bases of aniline derivatives and their salts
2921.42.65	Aniline derivatives and their salts of products in additional U.S. note 3 to section VI
2921.45.60	Aromatic monoamines and their derivatives and salts described in additional US note 3 to section VI, nesoi
2921.49.15	m-Nitro-p-toluidine
2921.51.20	Photographic chemicals of o-, m-, p-phenylenediamine, diaminotoluenes, and their derivatives, and salts thereof
2922.21.40	Aminohydroxynaphthalene sulfonic acids and their salts of products described in additional US note 3 to section VI
2922.29.06	m-Nitro-p-anisidine and m-nitro-o-anisidine as fast color bases



HTS NUMBER	DESCRIPTION
2922.29.15	m-Diethylaminophenol; m-dimethylaminophenol; 3-ethylamino-p-cresol; and 5-methoxy-m-phenylenediamine
2922.39.10	2'-Aminoacetophenone & other specified aromatic amino-aldehydes, -ketones and -quinones, other than those with more than one oxygen function
2924.29.03	3,5-Dinitro-o-toluamide
2924.29.23	4-Aminoacetanilide; 2-2-oxamidobis[ethyl-3-(3,5-di-tert-butyl-4-hydroxyphenyl)propionate]; and other specified cyclic amide chemicals
2924.29.26	3-Aminomethoxybenzanilide
2925.19.10	Ethylenebistetrahydrophthalimide
2925.29.70	Tetramethylguanidine
2926.90.08	Benzonitrile
2926.90.12	Other dichlorobenzonitriles
2926.90.19	N,N-Bis(2-cyanoethyl)aniline; and 2,6-difluorobenzonitrile
2926.90.21	Aromatic fungicides of nitrile-function compounds
2926.90.23	3,5-Dibromo-4-hydroxybenzonitrile (Bromoxynil)
2929.10.30	3,4-Dichlorophenylisocyanate
2929.10.80	Other isocyanates, nesoi
2930.20.70	S-(2,3,3-trichloroallyl)diisopropylthiocarbamate
2930.30.30	Tetramethylthiuram monosulfide
2930.70.00	Bis(2-hydroxyethyl)sulfide (thiodiglycol (INN))
2930.80.00	Aldicarb (ISO), captafol (ISO) and methamidophos (ISO)
2930.90.24	N-Cyclohexylthiophthalimide
2930.90.71	Dibutylthiourea
2931.33.00	Diethyl ethylphosphonate
2931.39.00	Other organo-phosphorous derivatives, nesoi
2931.90.05	Diphenyldichlorosilane; and phenyltrichlorosilane
2931.90.15	Sodium tetraphenylboron
2931.90.26	Pesticides of aromatic organo-inorganic (except organo-sulfur) compounds
2932.14.00	Sucralose
2932.91.00	Isosafrole
2932.99.04	2,2-Dimethyl-1,3-benzodioxol-4-yl methylcarbamate (Bendiocarb)
2932.99.55	Bis-O-[(4-methylphenyl)methylene]-D-glucitol (Dimethylbenzylidene sorbitol); and Rhodamine 2C base
2933.19.04	Aminoethylphenylpyrazole (phenylmethylaminopyrazole); 3-methyl-1-(p-tolyl)-2-pyrazolin-5-one (p-tolylmethylpyrazolone)
2933.69.60	Other compounds containing an unfused triazine ring (whether or not hydrogenated) in the structure



HTS NUMBER	DESCRIPTION
2934.10.70	4,5-Dichloro-2-n-octyl-4-isothiazolin-3-one; thiothiamine hydrochloride; and 4 other specified chemicals
2934.20.05	N-tert-Butyl-2-benzothiazolesulfenamide
2934.20.80	Other compounds containing a benzothiazole ring system (whether or not hydrogenated), not further fused
2940.00.20	D-Arabinose
3204.11.15	Disperse blue 30 and preparations based thereon
3204.15.10	Vat blue 1 (synthetic indigo) dye, "Colour Index No. 73000" and preparations based thereon
3204.15.80	Vat dyes (including those usable in that state as pigments) and preparations based thereon, nesoi
3204.19.40	Synthetic organic coloring matter and preparations based thereon, nesoi, described in additional U.S. note 3 to section VI
3204.20.40	Benzoxazol
3401.19.00	Soap; organic surface-active products used as soap, in bars, cakes, pieces; soap-impregnated paper, wadding, felt, not for toilet use
3808.52.00	DDT (ISO) (clofenatone (INN)), in packings of a net weight content not exceeding 300 g
3808.59.10	Pesticides containing any aromatic or modified aromatic specified in note 1 to chapter 38
3808.59.50	Pesticides, nesoi specified in note 1 to chapter 38
3808.61.50	Pesticides, nesoi, not exceeding 300g, specified in note 2 to chapter 38
3824.99.36	Mixture of vanadium
3926.20.10	Gloves, seamless, of plastics
3926.20.40	Gloves, nesoi, of plastics

2. Related Party Chemicals Trade Between the United States and China

According to U.S. Census Bureau data, 31 percent of chemical imports from China into the United States are from related parties. Thirty-seven percent of chemical exports from the United States to China are to related parties.

3. Characteristics of Chemical and Plastics Imports from China

Chemicals are used as inputs to manufacturing in almost every single step along the way. By necessity, imported chemicals are almost always going to be essential intermediate inputs or raw materials to manufacturing goods. U.S.-based manufacturers have a competitive advantage due to access to plentiful and abundant supply of energy feedstocks. The U.S. is leading global oil production and natural gas production in the U.S. has surged as well. This means access to lower priced fuel, power and feedstock for U.S.-based chemical manufacturers. But they still must import certain building block chemicals, feedstocks, and raw materials from China as intermediate input in order to manufacture specific chemicals in the United States.



4. U.S. Section 301 Tariffs Undercut the Benefits of the Miscellaneous Tariff Bill (MTB) Duty Suspensions and Reductions

There is significant overlap between the chemical products in the Miscellaneous Tariff Bill (MTB) and all the China Section 301 tariff lists. It is our view that these products should not be subjected to any additional tariffs, as the U.S. International Trade Commission and the Congress deemed them to be essential to U.S. manufacturing competitiveness. ACC provided [public comments](#) regarding this overlap in the International Trade Commission's Investigation No. 332-565 ("American Manufacturing Competitiveness Act: Effects of Temporary Duty Suspensions and Reductions on the U.S. Economy").

ACC's analysis indicates that the Section 301 additional tariffs severely undercut the benefits of the MTB, not just for chemicals and plastics, but all products in the MTB that U.S. companies import from China. Seventy-six percent of the chemicals and plastics covered by the MTB are also on the China Section 301 tariff lists in effect.

List 4 would increase that percentage. The 38 HTS eight digit codes below are both subject to MTB tariff suspensions and reductions and on List 4. We respectfully request that the Section 301 Committee to remove these codes from the proposed List 4.

HTS NUMBER	DESCRIPTION
2826.90.90	Other complex fluorine salts, nesoi.
2903.39.20	Fluorinated, brominated or iodinated derivatives of acyclic hydrocarbons, nesoi.
2903.89.31	Chlorinated, but not otherwise halogenated derivatives of cyclanic, cyclenic or cycloterpenic hydrocarbons.
2903.99.08	p-Chlorobenzotrifluoride; and 3,4-Dichlorobenzotrifluoride.
2903.99.80	Other halogenated derivatives of aromatic hydrocarbons, nesoi.
2907.29.10	Pyrogallic acid.
2908.99.25	Nitrophenols, except p-nitrophenol.
2909.30.30	Pesticides, of aromatic ethers and their halogenated, sulfonated, nitrated or nitrosated derivatives.
2914.79.40	Other halogenated, sulfonated, nitrated, etc derivatives of aromatic ketones and quinones whether or not with other oxygen function.
2916.39.79	Other aromatic monocarboxylic acids, their anhydrides, halides, peroxides, peroxyacids and their derivatives.
2917.19.70	Acyclic polycarboxylic acids and derivative (excluding plasticizers).



HTS NUMBER	DESCRIPTION
2918.99.20	Aromatic pesticides, derived from carboxylic acids with additional oxygen function, and their derivatives, nesoi.
2918.99.50	Nonaromatic carboxylic acids with additional oxygen function, and their derivatives, nesoi.
2920.90.51	Nonaromatic esters of inorganic acids of nonmetals and their salts and derivatives, excluding esters of hydrogen halides, nesoi.
2921.42.18	o-Aminobenzenesulfonic acid; 6-chlorometanilic acid; 2-chloro-5-nitroaniline; 4-chloro-3-nitroaniline; dichloroanilines; and other specified.
2921.42.55	Fast color bases of aniline derivatives and their salts.
2921.42.65	Aniline derivatives and their salts of products in additional U.S. note 3 to section VI.
2926.90.21	Aromatic fungicides of nitrile-function compounds.
2929.10.80	Other isocyanates, nesoi.
2931.39.00	Other organo-phosphorous derivatives, nesoi.
2931.90.26	Pesticides of aromatic organo-inorganic (except organo-sulfur) compounds.
2933.69.60	Other compounds containing an unfused triazine ring (whether or not hydrogenated) in the structure.
2934.20.80	Other compounds containing a benzothiazole ring system (whether or not hydrogenated), not further fused.
3204.15.10	Vat blue 1 (synthetic indigo) dye, "Colour Index No. 73000" and preparations based thereon.
3204.15.80	Vat dyes (including those usable in that state as pigments) and preparations based thereon, nesoi.
3301.12.00	Essential oils of orange.
3301.19.10	Essential oils of grapefruit.
3301.29.10	Essential oils of eucalyptus.
3604.10.90	Fireworks, nesoi.
3604.90.00	Signaling flares, rain rockets, fog signals and other pyrotechnic articles, excluding fireworks.
3823.19.20	Industrial monocarboxylic fatty acids or acid oils from refining derived from coconut, palm-kernel, or palm oil.
3823.19.40	Industrial monocarboxylic fatty acids or acid oils from refining, nesoi.
3823.70.40	Industrial fatty alcohols, other than oleyl, derived from fatty substances of animal or vegetable origin.



HTS NUMBER	DESCRIPTION
3924.10.40	Tableware and kitchenware articles, nesoi, of plastics.
3924.90.56	Household articles and toilet articles, nesoi, of plastics.
3926.30.10	Handles and knobs for furniture, coachwork or the like, of plastics.
3926.90.85	Fasteners, in clips suitable for use in a mechanical attaching device, of plastics.
3926.90.99	Other articles of plastic, nesoi.

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