



American Chemistry Council

Statement for the Record

**House Ways and Means Trade Subcommittee Hearing
“The Miscellaneous Tariff Bill: Providing Tariff Relief to U.S. Manufacturers
Through the New MTB Process”**

November 8, 2017

The American Chemistry Council (ACC) is pleased to submit this Statement for the Record to the House Ways and Means Committee Trade Subcommittee following the October 25, 2017, hearing entitled, “The Miscellaneous Tariff Bill: Providing Tariff Relief to U.S. Manufacturers Through the New MTB Process.” ACC represents a diverse set of companies engaged in the business of chemistry, a \$768 billion enterprise.

The Miscellaneous Tariff Bill (MTB) is critical to U.S. manufacturing competitiveness. The MTB enables U.S. manufacturers—including chemical manufacturers—to import the inputs they need at competitive prices. These inputs are non-controversial because they are not produced or available in the United States. Imported inputs are an essential part of competitive domestic business and represent a significant portion of U.S. trade. More than half of U.S. imports are inputs used for domestic production¹.

Based on previous analysis, the MTB saves the chemical industry and manufacturers in the United States an estimated \$748 million annually.¹ These savings—which incentivize further production—have a significant impact on the people and businesses that depend on U.S. manufacturing: millions of employees; businesses further down the supply chain; local governments that depend on the tax revenue that the industry generates; and consumers of finished products.

The chemical industry has a dominant presence in the U.S. manufacturing sector. Over 96 percent of all manufactured goods are directly touched by chemistry. The chemical industry employs more than 800 thousand people in the United States, and nearly every state hosts some form of chemical production. Last year alone, the chemical industry imported \$206 billion in inputs and chemical products, produced \$768 billion in products domestically, and exported \$174 billion in products to customers and partners across the globe. In 2016, expenditures on chemical plants accounted for half of all capital investment in U.S. manufacturing.

¹ National Association of Manufacturers, “Miscellaneous Tariff Bill,” accessible: <http://www.nam.org/Issues/Miscellaneous-Tariff-Bill/#>.





The U.S. chemical industry appreciates and supports the efforts of Congress and the International Trade Commission to implement the new MTB process. Congress has the ability to reduce barriers to domestic production and increase the competitiveness of American companies. ACC respectfully requests that the Congress move quickly to pass an MTB bill.

Thank you for the opportunity to submit comments.

ⁱ Yuskavage, Robert, et al., (2008) "Outsourcing and Imported Inputs in the U.S. Economy: Insights from Integrated Economic Accounts", U.S. Department of Commerce Bureau of Economic Analysis, Washington DC.

<http://www.americanchemistry.com>

The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people's lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through Responsible Care®; common sense advocacy designed to address major public policy issues; and health and environmental research and product testing. The business of chemistry is a \$768 billion enterprise and a key element of the nation's economy. It is among the largest exporters in the nation, accounting for fourteen percent of all U.S. goods exports. Chemistry companies are among the largest investors in research and development. Safety and security have always been primary concerns of ACC members, and they have intensified their efforts, working closely with government agencies to improve security and to defend against any threat to the nation's critical infrastructure.

