



June 14, 2022

The Honorable Thomas R. Carper
Chair
Subcommittee on International Trade,
Customs, and Global Competitiveness
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable John Cornyn
Ranking Member
Subcommittee on International Trade,
Customs, and Global Competitiveness
Committee on Finance
United States Senate
Washington, DC 20510

RE: Senate Finance Subcommittee on International Trade, Customs, and Global Competitiveness hearing on “Supply Chain Resiliency: Alleviating Backlogs and Strengthening Long-Term Security”

Dear Chairman Carper and Ranking Member Cornyn:

The American Chemistry Council (ACC) appreciates the Subcommittee holding this hearing to examine supply chain resiliency, alleviate backlogs and strengthen long-term security. ACC represents more than 150 of America’s leading chemical companies. Our members manufacture a wide variety of chemicals, polymers, and related products that make our lives and our world healthier, safer, more sustainable, and more productive. The business of chemistry supports over 25% of the U.S. GDP and directly touches nearly all manufactured goods. In addition to supporting a vast supply chain, our members help create more than half a million skilled, good-paying American jobs.

Chemicals and plastics are pivotal inputs to many critical supply chains such as for semiconductors, high-capacity batteries, critical minerals, automotive goods, and pharmaceuticals. For example, fluoropolymer chemistries are essential in the manufacture of semiconductors; bromine-based chemistries support the development of printed circuit boards; lithium batteries employ chemistry to create high-capacity batteries; industry uses many critical minerals to produce important chemistries of value in a wide range of products, including renewable energy, polymers, refrigerants, and water purification chemicals; solar power relies on important silicon-based chemistry. The business of chemistry is also essential to building and construction, electronics, farming, food production, vaccines, medicine, automobiles, aerospace and much more.

Supply chain and freight transportation disruptions have caused considerable challenges for U.S. chemical producers. In a recent survey of ACC members¹, 97 percent of companies reported that they have been forced to modify or curtail operations because of supply chain issues and/or transportation disruptions. ACC recognizes and applauds the important steps that Congress and the Administration have taken to help address these challenges, including implementation of the Infrastructure Investment

¹ See ACC’s Survey Report: Supply Chain & Freight Transportation Constraints for Chemical Manufacturers. Learn more at: <https://www.americanchemistry.com/media/files/acc/better-policy-regulation/transportation-infrastructure/infrastructure/supply-chain-and-freight-logistics-survey-findings-report>



and Jobs Act, the Senate's passage of the Ocean Shipping Reform Act, and other supply-chain related measures included in U.S. Innovation and Competition Act (USICA) S. 1260. However, more needs to be done.

We would encourage this Subcommittee to take a holistic approach to these supply chain issues and examine and address policies that negatively affect the business of chemistry and can harm U.S. manufacturers, especially small businesses, potentially impairing the availability of delivering these essential goods across the supply chain. Such policies can work in cross-purposes to this Subcommittee and other Administration efforts to facilitate supply chains and make them more secure and resilient. In particular, several issues have emerged with one federal agency program, the EPA's Toxic Substances Control Act (TSCA) program², that could negatively impact the resilience of U.S. chemical supply chains. Under the 2016 amendments to TSCA, EPA is tasked with evaluating potential risks to human health and the environment from new and existing chemicals and acting to address any unreasonable risks. New chemistries face regulatory barriers under TSCA that impact the timing of reviews and availability of products, creating uncertainty in the supply chain and negatively affecting the ability of companies to bring new products to market. Such barriers and delays have led to a lack of innovation and onshoring of new chemicals in the U.S. Challenges in the EPA's implementation of the TSCA program also have the potential to jeopardize the availability of existing chemistries critical to this Subcommittee and other Administration efforts to promote the use of alternative energy, reduce greenhouse gas emissions, and ensure the availability of semiconductors and other critical goods.

We understand that there are many issues that affect supply chain resiliency and security, some of which may be outside the direct control of this Subcommittee and the Government. However, this Subcommittee can address these regulatory policies and encourage EPA to adopt a strategic approach to sound chemicals management through the TSCA program that supports the availability and creation of chemistries that strengthen supply chains and allows for transparency and timeliness in their reviews according to statutory requirements. Because of the chemical industry's large footprint across major economic sectors, such efforts would pay dividends across all critical supply chains and industrial bases of concerns to this Subcommittee and the Administration.

ACC stands ready and willing to assist this Subcommittee in such efforts and hopes the Subcommittee will use ACC as a source of information and experience regarding the role of the business of chemistry in enabling more vibrant, resilient, and secure supply chains in the United States.

Sincerely,



Chris Jahn
President & CEO
American Chemistry Council

² See ACC's State of TSCA Report: Fix Implementation Now Before It Is Too Late. Learn more at: <https://www.americanchemistry.com/better-policy-regulation/chemical-management>

