



March 10, 2025

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Ambassador Jamieson Greer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Secretary Lutnick and Ambassador Greer,

Chemistry powers every corner of the U.S. economy by creating high-paying jobs, infusing new investments into research and development, and providing chemicals vital to everyday life. We represent multiple critical industries that are crucial to national defense, energy independence, modern healthcare, agriculture, technology, innovation and a resilient supply chain. We are the driving force for everyday products on which businesses and families rely, and we welcome the opportunity to discuss how we can use trade and economic policy to bring more chemical manufacturing back to the United States.

The U.S. has historically been a net exporter of chemicals, contributing positively to the nation's trade balance. As the second largest export manufacturing sector, the U.S. chemical industry posted an overall trade surplus of more than \$28 billion in 2024, with exports supporting nearly 200,000 domestic jobs. Assuring access to domestically made and imported inputs is critical to support U.S. chemical manufacturing as well as the entire manufacturing economy that depends on our products.

Canada and Mexico are our industry's top trading partners, and U.S. chemical manufacturers have expanded our competitive position while maintaining an overall trade surplus with these countries. Chemical products that are made in the United States often cross the Canadian and Mexican border several times, adding value and supporting other

U.S. manufacturing supply chains. A duty added each time that these products cross the border would make domestic production of these products more expensive, especially when domestic producers are facing increasing competition and unfair trading practices from other countries.

The U.S. chemical industry has used NAFTA and its successive Agreement negotiated by the first Trump Administration, the USMCA, to strengthen our competitive position against detrimental trading practices. The USMCA improves upon NAFTA by including a sectoral agreement on chemicals (known as the Annex on Chemical Substances), which should be used as a model for agreements with other countries, further enhancing U.S. based production and promoting science-based regulatory approaches. Unfortunately, the Annex was never fully implemented by the last Administration, but we think this current Administration can help correct that problem. Implementation and enforcement of the USMCA sectoral agreement on chemicals would represent a unique opportunity for this Administration to help develop a pro-growth trade agenda that can help boost U.S. chemical manufacturing and address domestic and foreign trade and regulatory policies that have created an unlevel playing field and stymied U.S. innovation.

We would respectfully ask that the process to review the USMCA begin now by creating a Trilateral Working Group under the USMCA's Annex on Chemical Substances. Such a Working Group will bring industry-led solutions to the table and provide some much-needed transparency and certainty. Together, we can help the Administration develop targeted trade measures that decrease U.S. supply chain vulnerabilities while negotiating new pro-growth measures with trusted trading partners that will advantage domestic production and jobs through resilient sourcing of key materials and access to foreign markets for our exports.

Chemicals are a critical input for too many industries and products to leave behind, and a strong and innovative chemical sector is essential to our national security, economic resilience and continued prosperity. American trade relies on American chemistry.

Sincerely,

Adhesive and Sealant Council
American Chemistry Council
American Cleaning Institute
American Coatings Association
Alliance for Chemical Distribution
Chlorine Institute
Color Pigments Manufacturing Association
Household & Commercial Products Association
Plastics Industry Association
Society of Chemical Manufacturers & Affiliates
Vinyl Institute