



September 13, 2021

The Honorable Chuck Schumer
 Majority Leader
 U.S. Senate
 Washington, DC 20510

The Honorable Mitch McConnell
 Minority Leader
 U.S. Senate
 Washington, DC 20510

The Honorable Nancy Pelosi
 Speaker
 U.S. House of Representatives
 Washington, DC 20515

The Honorable Kevin McCarthy
 Minority Leader
 U.S. House of Representatives
 Washington, DC 20515

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi and Minority Leader McCarthy,

We are writing to express our serious concerns with a proposal recently circulated by the Senate Finance Committee staff to enact a “plastics excise tax” of \$.20 per pound on the sale of virgin plastic as a potential revenue raiser in the reconciliation package. It is a proposal that will raise

revenue, but it will also harm American competitiveness and American consumers, hinder research and development and fail to meaningfully curb plastic waste in our environment.

Such a punitive, discriminatory and regressive tax would not only harm U.S. companies competing internationally, but also harm American consumers, especially lower-income families who can least afford higher prices on essential products. It would directly violate the pledge President Biden has made to not raise taxes on Americans making less than \$400,000. The tax, which seems to be modeled after the recently introduced REDUCE Act of 2021 in the Senate, applies an excise tax at the point of manufacture of virgin plastic resin. The intent appears to be to tax “single use plastic.” Unfortunately, in reality, the proposal will:

- Tax resin that is NOT used to manufacture “single use” products
- Have no assurance of reducing plastic waste in our society because the funding could be directed towards other items in the reconciliation package
- Provide tax rebates to downstream users that do not pay the tax in the first place

In addition, since there is no requirement that the revenue raised by the tax be dedicated to funding efforts to eliminate plastic waste, any future Congress would be free to redirect this revenue to fund completely unrelated items or activities.

Furthermore, a plastics excise tax would create a perverse incentive to switch to alternative materials, many of which have been found to release higher lifecycle greenhouse gas emissions, undermining our shared efforts to address climate change risks.

As an alternative, we have proposed [5 Actions for Sustainable Change](#) that will jumpstart a circular economy for plastics, including requiring all plastic packaging to include at least 30% recycled plastic by 2030 through a national recycled plastics standard. We also call for establishing an American-designed producer responsibility system for packaging that will help increase recycling access, education and outreach for all materials, including plastics.

Plastic waste in our environment is never acceptable, and with this proposal the industry has mapped out a comprehensive and realistic approach to addressing it. It is also a proposal that recognizes the importance of plastic in everything from building light-weight electric vehicles, to providing insulation that makes our buildings and homes more energy efficient – and much more. According to ACC’s Plastics Industry Producers’ Statistics Group, only 31% of resin manufactured in the United States is used to make plastic packaging, 40% is used in non-packaging and 29% is exported. Additionally, economic analysis of the Senate Committee’s proposal calculates this will be a \$120 billion tax on items consumers use every day, increase cost on materials by up to 26% and put nearly 92,000 American jobs at risk.

The proposed resin tax will hinder those efforts by weakening American industry, incentivizing customers to purchase finished plastic products from China at the cost of American jobs. Our proposal will preserve U.S. competitiveness and move us more quickly toward a sustainable society.

We ask that you work with the leadership in Congress to ensure this misguided provision is not included in the reconciliation package and that you work with us to move forward with policies that will truly benefit the global environment, American competitiveness, and the American people.

Sincerely,

Erin Kane
President and Chief Executive Officer
AdvanSix Inc.

Tim Stedman
Chief Executive Officer
Agilyx

Phil McDivitt
President and CEO
Ascend Performance Materials

Randy Pogue
President and Chief Executive Officer
AmSty

Michael Heinz
Chairman and Chief Executive Officer
BASF Corporation

Tom Salmon
Chairman & Chief Executive Officer
Berry Global Inc.

Mark G. Nikolich
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Braskem America, Inc

Nicholas Canosa
President, Chief Executive Officer and Co-
Founder
Braven Environmental

Andy Johnston
President and CEO
Carus LLC

Lori Ryerkerk
Chairman, Chief Executive Officer and
President
Celanese Corporation

Bruce Chinn
Chief Executive Officer
Chevron Phillips Chemical

Dr. Haakan Jonsson
Chairman and President
Covestro LLC

Jim Fitterling
Chairman and Chief Executive Officer
Dow

Ed Breen
Chairman & Chief Executive Officer
DuPont

Mark Costa
Board Chair and Chief Executive Officer
Eastman Chemical Company

Jim Teague
Co-Chief Executive Officer
Enterprise Products Operating LLC

Randy Fowler
Co-Chief Executive Officer
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Brian Coffman
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Motiva Enterprises LLC

Luis Sierra
President & Chief Executive Officer
NOVA Chemicals

Neil Ackerman
President
OxyChem

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Vice President, Americas
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Senior Vice President
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Ted Doheny
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Michael Finelli
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Calum MacLean
Chief Executive Officer
Synthomer

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Ed Dineen
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Frank A. Bozich
President and Chief Executive Officer
Trinseo

Albert Chao
President, CEO, and Director
Westlake Chemical Corporation

Hudson La Force
President and Chief Executive Officer
W. R. Grace & Co.

CC: The Honorable Tom Carper, Chair, Committee on Environment and Public Works

The Honorable Shelley Moore Capito, Ranking Member, Committee on Environment and Public Works

The Honorable Ron Wyden, Chair, Committee on Finance

The Honorable Mike Crapo, Ranking Member, Committee on Finance

The Honorable Frank Pallone, Chair, Committee on Energy and Commerce

The Honorable Cathy McMorris Rodgers, Ranking Member, Committee on Energy and Commerce

The Honorable Richard Neal, Chair, Committee on Ways and Means

The Honorable Kevin Brady, Ranking Member, Committee on Ways and Means

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