



**Comments from the American Chemistry Council, the Society of Chemical
Manufactures and Affiliates, and CropLife America**

**Request for Public Comments on Section 232 National Security Investigation of
Imports of Pharmaceuticals and Pharmaceutical Ingredients**

Reference: XRIN 0694-XC120

May 7th, 2025

The American Chemistry Council (ACC), the Society of Chemical Manufacturers and Affiliates (SOCMA), and CropLife America (CLA) appreciate the opportunity to comment on the Department of Commerce’s (“Commerce”) investigation of the effects on the national security of imports of pharmaceuticals and pharmaceutical ingredients. We are trade associations representing America’s leading industrial chemical, fine chemical, and plastics companies, as well as plant science solutions for agriculture and pest management companies. We support the Administration’s efforts to defend U.S. manufacturing from unfair trade practices and create a more fair and more balanced trade relationship with other countries. A strategic approach should be applied to any proposed additional tariffs or border measures, prioritizing unfair trading practices while minimizing U.S. company exposure and unpredictability. We also think that any proposed border measures need to be supplanted with pro-growth trade measures with trusted trade partners that advantage domestic production and jobs through resilient sourcing of key materials and access to foreign markets for our exports, as well as regulatory reform and other incentives for domestic production.

**Greater Clarity is Needed on the Scope of this Investigation and its Relation to
Executive Order 14257**

We support the Administration’s objectives in determining the effects on national security of imports of pharmaceuticals and pharmaceutical ingredients. Given the nature of chemistry, many of our members’ products are used in both pharmaceutical and non-pharmaceutical supply chains. Without greater clarity of both the scope of this investigation and its relationship to outcomes on chemical products listed under Annex II of Executive Order 14257, we are concerned that any actions as a result of this

investigation could inadvertently displace domestic chemical production and jobs. Some of our members have already reported on the immediate effects of such Annex II exclusions on domestic production, shortchanging Americans of jobs and access to affordable products that may be difficult to reverse. Therefore, we would ask Commerce and the Administration to provide more information on the scope of this investigation, particularly any scope beyond pharmaceuticals and specific Active Pharmaceutical Ingredients (API), in order to avoid inadvertent effects not only on U.S. pharmaceutical supply chains but on key domestic supply chains crucial to the American economy. We think that the best way to avoid such effects would be for the Administration to work on a process to recalibrate the Annex II list before any actions are proposed from this or other 232 investigations; we would also ask for an extended comment period for any resulting actions from this investigation to determine any inadvertent effects on pharmaceutical and non-pharmaceutical supply chains.

Should the administration proceed with tariffs or other import measures as a result of this investigation, we would recommend a targeted and phased strategy to avoid unintended disruptions to our members' supply chains. Immediate imposition of higher tariffs on some chemical inputs could undermine U.S. competitiveness and supply chain stability. Postponing implementation of any duties that have a single source or no viable domestic alternatives should be considered for vulnerable products. On the other hand, applying higher duties on imports of non-sensitive chemical products than duties on products where our members are facing unfair trading practices, as we are witnessing now with the current Annex II exceptions on some "pharmaceutical" products, are disadvantaging domestic production and jobs and increasing our vulnerability to foreign unfair trading practices. Therefore, we urge Commerce to proceed with care during this investigation and to work with us and our members on any analysis of the criteria listed in the Federal Register notice that include chemicals before making any recommendations.

The Nature of Chemistry Makes Dividing Chemicals for Pharmaceutical and Non-Pharmaceutical Uses Difficult

Pharmaceutical and non-pharmaceutical supply chains are not always easily segregated. For example, propylene glycol can be used as food stabilizer, a moisturizer in skin care cosmetics and shampoos, and a solvent in drug formulas. Organic peroxides are used in the production of plastics and rubbers in addition to pharmaceuticals, insulating foams have use in the building sector, and isomers and solvents can be used in key medical countermeasures such as oxygenators. Many resins are also used for food and beverage packaging, personal care products, textiles and various industrial applications.

Our members also represent manufacturers of biocidal chemistries, which are registered as pesticides and used in a variety of products with pharmaceutical and non-pharmaceutical uses, including as antimicrobial disinfectants. Chemicals for chromatography are used in applications spanning various fields like pharmaceuticals, biochemistry, and chemistry, and silicon products are an especially large category used in the production of semiconductors, food packaging, consumer, and construction products.

Imported inputs are also important in the manufacturing of agricultural chemicals, which in turn are critical for American farmers in protecting their crops from pests and diseases. These inputs are covered by tariff codes throughout Chapter 29 of the Harmonized Tariff Schedule (HTS) and are then manufactured here in the United States into finished products. In some cases, the codes are clearly for pesticide manufacturing, in other cases they may be codes that impact a variety of chemical manufacturers. Food security is national security and resiliency in these supply chains protects U.S. farmers against both domestic and external shocks and minimizes the risks of shortages to these essential tools.

These products are often difficult to distinguish both in their production and when categorizing or classifying such products, especially by their Harmonized System (HS) codes. Many of our members have made specific investments to reshore domestic production, and the scope of this investigation and any resulting actions could have direct effects on existing chemical production for both pharmaceutical supply chains and well as other supply chains such as agriculture and food production, healthcare, information technology and other industrial commodities.

Getting the Scope and Application Wrong Can Have Significant Effects on U.S. Chemical Production

Depending on the scope of this investigation and the application of any proposed measures to specific products (for example, by HTS code), an analysis of the specific criteria under this investigation may differ. Some chemicals that are used in the pharmaceutical supply chain or that have pharmaceutical and non-pharmaceutical uses are produced domestically from inputs that are unavailable (or not available in significant quantities) from the United States and are not subject to foreign unfair trading practices or state-sponsored overproduction. Tariffs or other defensive measures on these products will make it more difficult for U.S. chemical producers to supply the domestic pharmaceutical or other key supply chains and could lead to increased costs and shortages of medicines and patient care products in the broader healthcare system. Rather

than broad-based tariffs, the Administration should consider incentives for domestic production including tax and research and development (R&D) incentives funding for chemical process enhancements, and regulations reform. In the case that any new tariffs on these products are applied as a result of this investigation, duty drawback should be available to benefit U.S. chemical exports, especially as the United States has an overall trade surplus in chemicals.

However, there are other chemicals and plastics whose domestic production is being displaced by state supported expansion and non-market policies in other countries, and where certain border measures may need to be considered. There may be limited trade or production of such products for the pharmaceutical supply chain, but they greatly affect our domestic competitiveness. Placing higher tariffs on the upstream raw materials that go into such products while placing lower tariffs on the finished products will make domestic chemical manufacturing more expensive, both for pharmaceutical and non-pharmaceutical uses. Even if the scope of this investigation is limited to “pharmaceutical and pharmaceutical ingredients”, how this scope is defined and how any resulting actions are applied to these products (for example, by HTS code) may result in varying effects. Therefore, we would appreciate more information on the scope of this investigation in order to provide more analysis. To avoid any inadvertent effects that may actually displace domestic production, we would recommend that Commerce not propose any preliminary actions as a result of this investigation until the scope of this investigation is clarified with our industry and members that represent and produce both pharmaceutical and non-pharmaceutical ingredients.

Linkages between This Investigation and Annex Executive Order 14257 Need to Be Resolved

The Administration has also linked the outcome of this investigation to a list of exclusions from tariffs imposed under Annex II of Executive Order 14257¹. There are many chemical and plastic products included in this Annex, many of which seem to be based on inclusion in a Pharmaceutical Appendix to the Harmonized Tariff Schedule of the United States (HTSUS). The list of chemicals and plastics on this Appendix is very broad, covering a subset of chemicals that may be used in pharmaceutical supply chains but also chemicals that have few actual applications for pharmaceuticals, especially in how they are used and traded². Again, some of these are inputs used in domestic chemical production which are

¹ See [White House Fact Sheet](#)

² For example, many of these products include fertilizers, pigments, silicones, and plastic products for multiple uses.

unavailable or not available in significant quantities from the United States while the domestic production of other chemicals on this list is being displaced by products subject to foreign unfair trading practices or state-sponsored overproduction. As the outcome of this investigation is likely to have direct implications on chemical products under this Annex, even if such chemicals are not primarily used in pharmaceutical supply chains, this is an additional reason why it is important to understand the scope of this investigation and its effect on these Annex II exclusions. Regardless of whether Commerce uses chemical products in the Annex II or a different list as the scope of this investigation, the outcomes seem to be connected. We do not want an outcome, as we are seeing now with the current Annex II exclusions, that imports of non-sensitive chemical products are facing considerably higher duties (in some cases, 145% or greater) than duties on products where our members are facing unfair trading practices. This would seem to be contrary to the Administration's objectives that we support.

Other Recommendations

We would suggest that Commerce provide a list of pharmaceuticals, pharmaceutical ingredients, and any other products under the scope of this 232 investigation similarly to what was done for the [August 6, 2020, Executive Order on Ensuring Essential Medicines, Medical Countermeasures, and Critical Inputs are Made in the United States](#). While we are not proposing this same list, a list would help further clarify the scope of this investigation. Since any effects on chemical products may depend not just on a list of products but on how products are classified in the Harmonized System, we would also appreciate a list of HS codes connected to products that are potentially subject to this investigation, especially for any products classified outside HS Chapter 30. This would help us, and our members, provide analysis based on the criteria outlined that could help combat unfair trading practices and subsidized over-production while avoiding any inadvertent effects on domestic producers.

Conclusion

We appreciate this opportunity to provide comments on this investigation and are committed to a pro-growth trade policy that advantages domestic production and jobs. As part of that policy, we would like to work with Commerce to explore policy solutions that would address the harms identified through the investigation with fewer disruptive impacts on the U.S. chemical industry and the overall economy.

If you have any questions about this submission, please contact Jason Bernstein, Director, Global Affairs (International Trade and Supply Chain), American Chemistry Council at jason_bernstein@americanchemistry.com; Robert Helminiak, Vice President, Legal and Government Relations, Society of Chemical Manufacturers and Affiliates at rhelminiak@socma.org; or Molly O'Connor, Director, Federal Government Relations, Crop Life America at MOConnor@croplifeamerica.org.