



**Comments of the American Chemistry Council and the Society of Chemical
Manufactures and Affiliates**

**Request for Public Comments on Section 232 National Security Investigation of
Imports of Semiconductors and Semiconductor Manufacturing Equipment**

Reference: XRIN 0694-XC121

May 7th, 2025

The American Chemistry Council (ACC) and the Society of Chemical Manufactures and Affiliates (SOCMA) appreciate the opportunity to comment on the Department of Commerce (“Commerce”) investigation of the effects on the national security of imports of semiconductors and semiconductor manufacturing equipment. We are trade associations representing America’s leading industrial chemical, fine chemical, and plastics 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. We also think that any proposed border measures need to be supplemented 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.

Many Chemicals are Used for Semiconductor Manufacturing as well Other Uses

Many complex chemicals produced by our members are essential for various processes in the semiconductor manufacturing process, including wafer surface cleaning and lithography, metal deposition for damascene and advanced packaging, and chemical mechanical polishing. In fact, there are more than one thousand chemicals used in the making of semiconductors, and semiconductor-grade chemicals are often unique in that they require a degree of purity that few companies can achieve. Our members produce ultra-pure sulfuric acid that plays a crucial role in the cleaning and etching of silicon wafers. Our members also produce key materials that are not only used in the production of semiconductors but in many other critical industries and applications. For example, fluorospar/fluorine is a critical input for products used for cleaning and etching silicon

wafers in semiconductor fabrication but also is essential for the energy sector (oil, gas, solar) and for the aerospace, electronics and chemical industries. Silicon products are a necessary component of manufacturing highly reliable and efficient semiconductor chips, but these chemistries are also used in food packaging and consumer products.

Chemicals for Semiconductor and Non-Semiconductor Uses Can Be Difficult to Distinguish

Such products are often difficult to distinguish in their end uses both in their production and when categorizing or classifying such products, especially by their Harmonized System (HS) codes. 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 may include chemicals. Many of our members have made specific investments to reshore production for the semiconductor industry, and they rely on raw materials and critical inputs to make these products, some of which are imported. Imposing duties or other import measures may directly harm domestic semiconductor production by interfering with access to needed inputs. 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. On the other hand, there are also some products for the semiconductor supply chain where U.S. chemical companies whose domestic production is being displaced by state supported expansion and non-market policies in other countries.

A Strategic and Targeted Approach to this Investigation is Needed, especially Concerning Chemicals

To address these challenges, we call on Commerce to adopt a targeted and strategic approach that is carefully tailored to these concerns. Policy solutions, including tariffs, should be carefully calibrated to strengthen, not undermine, U.S. chemical production for semiconductor manufacturing, promote U.S. innovation and research and development, and increase domestic, downstream demand for semiconductors – all while ensuring that foreign unfair trading practices and state sponsored overproduction do not decimate this critical sector of the U.S. economy. Even if the scope of this investigation is limited only to “semiconductors and semiconductor manufacturing equipment”, how this scope is defined and how any resulting actions are applied to these products (for example, by HS code) may result in varying effects. 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 this scope of this investigation is clarified with chemical producers producing both for the semiconductor and other critical industries.

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) but also used for semiconductor manufacturing. The list of chemicals and plastics on this Appendix is very broad, covering a subset of chemicals that are used in pharmaceutical supply chains but also chemicals that may have applications for the semiconductor industry. Some of these are inputs classified in these HS codes are used in domestic chemical production which are 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. Since the outcome of this investigation is likely to determine what happens to chemical products under this Annex II list even if such chemicals are not primarily used in pharmaceutical supply chains, it is important for us and our members to understand the scope of this investigation and its effect on these Annex II exclusions. While we support the Administration's efforts to combat unfair trading practices, the complete reshoring of all semiconductor supply chain elements is not feasible, and the U.S. requires a targeted approach that minimizes harm to U.S. industry and limits disruption.

Other Crossover Effects Could Have an Impact on Chemical Production

We would also like to bring to Commerce's attention that there may be crossovers between these and under investigations including the United States Trade Representative's initiation of a Section 301 investigation into PRC's acts, policies, and practices with regard to the semiconductor sector and President Trump's Executive Order directed the Secretary to initiate a Section 232 investigation into critical minerals imports. covers semiconductor fabrication inputs (i.e. wafers, anodes, cathodes)² Where there is crossover, we would encourage Commerce to maintain a consistent approach between the two investigations and prevent contradictory policy outcomes from each investigation.

¹ See [White House Fact Sheet](#)

² <https://www.whitehouse.gov/presidential-actions/2025/04/ensuring-national-security-and-economic-resilience-through-section-232-actions-on-processed-critical-minerals-and-derivative-products/>

Finally, we would encourage Commerce, in conjunction with other relevant federal agencies, to continue to focus on other trade policy tools that can serve as an appropriate and complimentary role in protecting national security. We would encourage any border measures or restrictions to be targeted, focused on specific national security concerns, and implemented in a transparent, predictable, and efficient manner, ideally in concert with key allies and trusted trading partners.

Conclusion

We appreciate this opportunity to provide comments on this investigation. We are committed to a pro-growth trade policy that advantages domestic production and jobs through resilient sourcing of key materials and access to foreign markets for our exports. 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 minimizing 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, or Robert Helminiak, Vice President, Legal and Government Relations, Society of Chemical Manufacturers and Affiliates at rhelminiak@socma.org.