

September 27, 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 2051

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

As organizations representing manufacturers and users of plastic products and packaging as well as parts of the entire value chain, we are writing today to express our concerns about the proposed inclusion of a 20 cent per pound tax on virgin plastic resin in the budget reconciliation package.

Each of our organizations strongly support the use of recycled plastic and understand the motivation behind efforts to encourage its use. However, a tax on virgin resin will have a wide range of negative consequences: reduced manufacturing competitiveness, inflationary pressure, lost jobs to China and billions of dollars in increased costs to consumers. A resin tax would violate the President's pledge not to tax Americans making less than \$400,000. Taxing the production of virgin plastic would do little to increase access to recycling, improve the collection and sortation process, educate consumers or take other equally meaningful steps to limit plastic waste in the environment.

Our respective industry commitments to sustainability include goals of using less material and working to reduce our overall environmental footprints. We stand ready to continue conversations with Congress to advance these goals, but don't believe a tax of this sort moving through the process in this manner is the right approach. This resin tax proposal having first been introduced only weeks ago has not been fully vetted. No witnesses have been called to provide expert analysis by either side in the public setting of a committee hearing. There has been no opportunity to study the economic impacts of a tax of this size nor how such a measure would viably be applied.

Early analysis paints a bleak picture: one industry estimate concludes the resin tax will place 92,000 American jobs at risk and increase the cost of plastic resin by up to 26 percent. On top of the direct impact on the cost of resin, the complexities of implementing such a tax would place an enormous burden and cost on manufacturers and users of plastic products trying to comply.

We welcome an opportunity to be part of the conversation on this important topic and look forward to working with Congress to pursue real solutions that increases the production and use of recycled plastic. But at this time, a resin tax of this size and scope is something that must be opposed, and we respectfully encourage you to set it aside from further discussions related to the budget reconciliation package.

Sincerely,

American Chemistry Council
American Fuel and Petrochemical Manufacturers
American Petroleum Institute
Chemical Fabrics and Film Association
Communications Cable & Connectivity Association
EPS Industry Alliance
Extruded Polystyrene Foam Association
Flexible Packaging Association
Foodservice Packaging Institute
International Sleep Products Association
Manufacturers Association for Plastics Processors
Motor & Equipment Manufacturers Association
National Association for PET Container Resources
National Association of Chemical Distributors
National Association of Manufacturers
Plastic Pipe Institute
Plastics Industry Association
Plumbing Manufacturers International
Polyurethane Foam Association
PRINTING United Alliance
Produce Marketing Association
Single Ply Roofing Industry
Uni-Bell PVC Pipe Association
Vinyl Institute

CC: All Members of the U.S. Senate and U.S. House of Representatives