



August 23, 2022

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
United States House of Representatives
Washington, DC 20515

The Honorable Charles E. Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

Dear Speaker Pelosi, Leader McCarthy, Leader Schumer, and Leader McConnell:

On behalf of the American Coatings Association (ACA) and the more than 299,000 U.S. employees in the paint and coatings industry, I write to congratulate you on your bipartisan efforts to pass the CHIPS and Science Act to strengthen the ability of American workers and companies to compete globally, including with China.

As you may know, ACA is the premier trade association dedicated to advancing the interests of the coatings industry and represents paint and coatings manufacturers, suppliers, distributors, and technical professionals. Many of today's paints and coatings may go unnoticed by the consumer, but they play immeasurably valuable roles in delivering high-quality foodstuffs, durable goods, housing, furniture and thousands of other products to market.

ACA is grateful for the federal investment in semiconductor research and manufacturing incentives in the U.S. that the CHIPS and Science Act provides and believes this will

boost our competitiveness and strengthen supply chains in our country. However, we were disappointed to see that Congress dropped the Trade Title from earlier versions of this legislation (USICA/COMPETES Act), which included the expired Miscellaneous Tariff Bill (MTB).

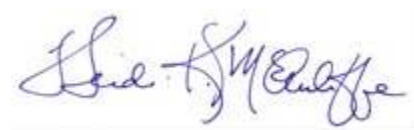
As you know, the MTB would temporarily eliminate and reduce border taxes on a set of products that are not produced at all domestically or in sufficient capacity in the United States as confirmed by a rigorous and transparent process. Without passage of the MTB, American consumers will pay directly and/or indirectly hundreds of millions of dollars each year in government-imposed import taxes on products not made or available in the United States.

Based on analyses by the National Association of Manufacturers, the MTB would eliminate import tariffs of more than \$1.5 billion over three years (with full retroactivity to January 2021), bolstering manufacturers and other businesses in the United States, especially small and medium-sized manufacturers. This tariff relief translates into U.S. economic growth: According to the U.S. International Trade Commission, tariff relief under the previous MTB boosted U.S. GDP annually by as much as \$3.3 billion and output annually by as much as \$6.3 billion

Now that the CHIPS and Science Act is signed into law, ACA requests that you focus on advancing this important legislation in any appropriate legislative vehicle moving through Congress.

Thank you in advance for your leadership and consideration of this request. Should you or your staff have any questions or require additional information, do not hesitate to contact me at hmcauliffe@paint.org.

Best regards,

A handwritten signature in blue ink, appearing to read "Heidi K. McAuliffe", is enclosed in a thin black rectangular border.

Heidi K. McAuliffe, Esq.
Vice President, Government Affairs