



March 7, 2018

President Donald J. Trump
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

The Plastics Industry Association (PLASTICS), which represents the \$404-billion U.S. plastics industry and its 965,000 workers, has vocally supported the Administration's manufacturing and economic agenda.

While we share the Administration's concerns surrounding America's trade balances, and support tailored efforts to rectify them, we believe such a process must proceed carefully, in such a way that delivers long-term benefits to the plastics industry and the economy as a whole. As such, we write today to express our firm opposition to the Administration's current approach to addressing these trade imbalances, represented by the proposed tariffs on imports of steel and aluminum.

Many plastics companies cannot function without steel and aluminum products; for example, molds made out of steel and aluminum are used to shape raw plastic materials into specific products. Additionally, much of the machinery used to manufacture plastic products are built with steel and aluminum as well.

Across-the-board tariffs on these materials could dramatically increase costs for the segments of the plastics industry that depend on them—costs that would be passed down through the supply chain to other plastics companies, manufacturers, businesses and, ultimately, consumers. This would undoubtedly have a negative impact on the plastics industry and the economy as a whole.

More importantly, however, is that an implementation of these tariffs would represent a significant step backward for free trade, which could result in further restrictions and create larger, more negative impacts for the industry and the American economy further down the line.

Put simply, these tariffs could:

- Benefit America's trading rivals, like China.
- Exacerbate existing trade inequities that already weaken American companies.
- Cost America thousands of manufacturing jobs in fields like plastics, which depends on steel and aluminum to manufacture products.

- Harm American companies on the verge of making new investments in their business, or even force them to close plants.
- Weaken America's competitive advantage on the international stage.
- Slow down the pace of growth in American manufacturing, and particularly in plastics.

The economic policies of this Administration have been a positive force for the growth of the U.S. plastics industry and the men, women and communities that depend on it. The potential imposition of tariffs, such as those that have been put forth, have the potential to erode the gains that have occurred to date and would be a significant step in the wrong direction.

Last year's enactment of the Tax Cuts and Jobs Act is already rippling out into our industry and has the potential to have a historic impact on plastics and manufacturing growth. The U.S. plastics industry urges this Administration not to throw those gains away for a set of tariffs that would only wind up hurting the people they're aimed at protecting.

Respectfully,



William R. Carteaux
President and CEO

Cc: The Honorable Wilbur L. Ross, Jr.
Secretary, Department of Commerce

The Honorable Robert E. Lighthizer
United State Trade Representative

The Honorable Gary D. Cohn
Assistant to the President and
Director, National Economic Council

The Honorable Peter Navarro
Director, National Trade Council