

Michael K. Carrier
Senior Counsel
Global Trade and Compliance
Phone: (423) 229-4016
FAX: (423) 229-1239
mcarrier@eastman.com

May 10, 2013

Mr. Douglas Bell
Chairman, Trade Policy Staff Committee
Office of the US Trade Representative
Executive Office of the President
600 17th Street NW
Washington, DC 20508

Re: Request for Comments Concerning the Proposed Transatlantic Trade and Investment Partnership, 78 Fed. Reg. 19566 (April 1, 2013)

Dear Mr. Bell:

Eastman Chemical Company appreciates this opportunity to provide comments as the Office of the United States Trade Representative prepares for negotiations on the proposed Transatlantic Trade and Investment Partnership (TTIP).

Eastman is a global specialty chemical company that produces a broad range of advanced materials, additives and functional products, specialty chemicals, and fibers that are found in products people use every day. Serving customers in approximately 100 countries, the company is based in Kingsport, Tennessee, and employs approximately 13,500 people around the world. Eastman has a significant manufacturing presence in both the US and the EU, moving hundreds of millions of dollars per year of material between the two regions, and is one of the largest exporters from the U.S. by volume.

We are pleased that the President intends to enter into negotiations with the European Union (EU) on the Transatlantic Trade and Investment Partnership (TTIP), a comprehensive trade and investment agreement. Eastman shares with the Administration the goal of eliminating *all* tariffs and other duties and charges on trade in agricultural, industrial, and consumer products between the United States and the EU, as well as non-tariff barriers such as regulatory differences that may unnecessarily impede trade.

Eastman would like to bring to your attention specific tariff duties on materials of interest to Eastman, to ensure that they are addressed during the upcoming negotiations.

Tariffs levied on products in the HTS codes immediately below increase Eastman's raw material costs, and represent duties for which duty drawback is available only if the product is then exported:

- HS 2915.90 Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulfonated, nitrated or nitrosated derivatives; Other
- HS 3905.99 Polymers of vinyl acetate or of other vinyl esters, in primary forms; other vinyl polymers in primary forms; Other
- HS 3920.91 Other plates, sheets, film, foil and strip, of plastics, noncellular and not reinforced, laminated, supported or similarly combined with other materials; Of poly(vinyl butyral)

The HTS codes immediately below are of interest to Eastman because of Eastman's need to move product from one region to another, either for sale or further processing. We are not aware that these existing tariffs, imposed by the US, by the EU, or by both the US and the EU, provide either Eastman or its competitors with a significant competitive or commercial advantage, but are simply an unnecessary cost of doing business that we would like to see eliminated:

- HS 3911.10 Petroleum resins, coumarone, indene, or coumarone-indene resins and polyterpenes, in primary forms
- HS 3912.12 Plasticized cellulose acetates

The following HTS codes are of interest to Eastman because they impose on Eastman's customers significant costs in export into the US, into the EU, or into both the US and the EU, of products made in the other of the two regions. These tariffs may have served an interest in the past in, for example, promoting domestic production or development of a domestic industry in a given product. However, as but a single example of the effect such tariffs have on Eastman products, an imminent expiration of a duty exemption on a single Eastman product imported into the EU from the US is expected to increase the yearly tariff paid by Eastman or its customers on that product by some \$4 million. Another Eastman product, subject for many years to a 20,000 metric ton import quota in a market in which greater than 200,000 metric tons per year are imported, is thereafter subject to a duty of 5.5% once the yearly quota is imported, costing Eastman about \$1 M in import duties per year. Given the benefits to the US, the EU, and the global economy in reducing burdensome tariffs wherever and whenever possible, Eastman would like to see tariffs associated with these HS codes entirely eliminated, whether imposed by the US, the EU, or both the US and the EU:

HS 2907.22	Hydroquinone (Quinol) and its salts
HS 2915.24	Acetic anhydride
HS 2915.60	Butanoic acids, pentanoic acids, their salts and esters
HS 2916.31	Benzoic acid, its salts and esters
HS 2917.39	Aromatic polycarboxylic acids, their anhydrides, halides, peroxides, peroxyacids and their derivatives; Other; Other
HS 3812.20	Compound plasticizers for rubber or plastics
HS 3907.60	Polyethylene terephthalate in primary forms
HS 3907.99	Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallyl esters and other polyesters, in primary forms; Other
HS 3911.10	Petroleum resins, coumarone, indene, or coumarone-indene resins and polyterpenes, in primary forms
HS 3912.12	Plasticized cellulose acetates

Finally, with respect to Rules of Origin, Eastman supports the use of additional section rules for chemicals. Specifically, Eastman supports the inclusion of a mixing and blending rule for articles of Section VI similar to the KORUS mixing and blending rule. This rule would benefit companies who heavily invest in blending facilities in the TTIP region because products of deliberate and proportionally controlled mixing or blending would qualify for tariff preferences.

Thank you for your consideration of these Eastman priorities. We look forward to working with the USTR during the upcoming TTIP negotiations.

Sincerely,



Michael K. Carrier