



May 7, 2025

Eric Longnecker  
Deputy Assistant Secretary for Technology Security  
Bureau of Industry and Security  
U.S. Department of Commerce  
1401 Constitution Ave. NW  
Washington, DC 20230

Re: Docket numbers BIS-2025-0022 and XRIN 0694-XC120: Request for Public Comments on  
Section 232 National Security Investigation of Imports of Pharmaceuticals and Pharmaceutical  
Ingredients

Dear Deputy Assistant Secretary Longnecker,

The Dow Chemical Company (TDCC) appreciates the opportunity to provide comments on the proposed actions under the Section 232 Investigation of Pharmaceutical and Pharmaceutical Ingredient Tariffs. We commend the Administration's efforts to strengthen the U.S. pharmaceutical industry and rebuild domestic pharmaceutical production.

## Introduction

U.S. chemical exports account for around 10% of overall U.S. exports, valued at \$165 billion. These chemicals are used in a wide variety of applications across almost all industries. The U.S. boasts an advantaged chemical manufacturing footprint, driven by access to low-cost feedstocks, advanced technologies, a skilled workforce, and access to a robust, low-cost transportation network. Disruptions to this successful combination can quickly increase costs, reduce U.S. competitiveness, and raise prices for U.S. consumers.

Dow is a materials science leader. For more than 125 years, Dow has been pursuing solutions for the world's toughest challenges. Roughly one third of our 98 chemical manufacturing sites globally are based in the United States.

Dow's pharmaceutical solutions, chemicals, and active pharmaceutical ingredients improve the manufacturing and processing of pharmaceutical products. With decades of proven experience supplying a vast number of regulated products, Dow understands the importance of quality and supply reliability.



Manufacturing and supply chains are multi-faceted, and the best intentions can sometimes lead to unintended consequences. While Dow applauds the Administration's efforts to enhance the competitiveness of U.S. pharmaceutical production, it is critical to also ensure reliable, affordable access and domestic production of pharmaceutical chemicals and active pharmaceutical ingredients.

Additionally, we would encourage Commerce to take a focused and strategic approach. Dow produces a wide range of chemical and plastic products, some of which may be used in the pharmaceutical industry as well as other supply chains. For example, propylene glycol can be used as food stabilizer, a moisturizer in skin care cosmetics and shampoos, and a solvent in drug formulas.

### **Facts Related to Pharmaceutical Ingredients Supply Chain**

Chemicals play a crucial role in the development and manufacturing of pharmaceuticals. They are fundamental in the synthesis of active pharmaceutical ingredients and excipients, which are necessary for creating effective and safe medications. Regulatory standards require stringent quality control measures, and chemicals are indispensable in meeting these standards. These same chemicals can also play integral roles in the production of products across many other industries.

Dow manufactures multiple related products with pharmaceutical applications that were included in the Administration's Annex II exclusion list, including Polyethylene Glycol, EDTA Acid, and Monoisopropanolamine. Dow also produces Polyethylene Glycol, which was not included in the Administration's Annex II exclusion list.

In terms of a strategic and targeted approach, we encourage the Administration to clearly define in scope materials, especially to encourage more direct industry consultation on a targeted list of materials. This would provide an opportunity for us to offer concrete data, especially related to materials that are locally produced and could be supported and sustained by a targeted tariff approach. Such an approach would have direct ties to domestic production, clearly address competitiveness challenges, including unfair import competition in the market, and identify key materials beneficial to the pharmaceutical supply chain.

For example, Dow encourages the U.S. Administration to consider the following materials as key inputs to pharmaceutical value chain, with long-standing domestic production and investment as potential examples of where tariff can provide a domestic market benefit and secure a level playing field. In particular:

Isopropanolamines: Diisopropanolamine (DIPA) and Triisopropanolamine (TIPA) and Monoisopropanolamine (MIPA) (HTS: 2922199690 and 2922190090). Dow is the only U.S. producer of isopropanolamines (DIPA, TIPA and MIPA) at our Plaquemine, Louisiana facility. The



Plaquemine production facility is also Dow's only production facility for isopropanolamines, globally. These materials are produced in a process where all three products are made simultaneously. For strategic tariffs, it is critical to recognize these products are part of the same production line; therefore, exclusions on any one product, which increase import competition, also make the domestic production less competitive. The current imbalance in tariff rates between the U.S. and China for isopropanolamines has resulted in Dow's domestic manufacturing business losing its share in China, while Chinese manufacturers have continued to supply product to the U.S. market at low prices, significantly negatively impacting Dow.

This production supports approximately 25 high-paying jobs and serves Dow customer markets not only in the pharmaceutical industry, but also in the lubricant, oil and gas, and electronics sectors. This production also represents a significant export surplus, with over 60% of US produced materials are exported to EU, UK, Mexico, South Korea and Japan.

EDTA Acid (HTS: 292249800): Dow is the sole producer of EDTA Acid in Freeport, Texas with a skilled workforce of approximately 5 high-skilled, high valued jobs. This chemical compound serves a range of critical markets, including pharmaceutical, fuel additive, and crop solutions. EDTA Acid has also seen increasing predatory import competition based on overcapacity in the market. Tariffs can ensure a competitive playing field for the domestic production. Over the past five years, Dow has invested over \$2.8 million in site operations.

## **Recommendations**

We encourage USTR to appropriately prioritize tariffs to address domestic industry challenges without creating wider corollary challenges for chemical manufacturing and innovation. To the extent that tariffs are targeted to ensure domestic production in key value chains, we recommend a narrow focus, including the aforementioned chemical products.

Dow believes that this action will help achieve the Administration's goal of strengthening the U.S. pharmaceutical industry while mitigating the potential negative impacts on domestic manufacturers. We appreciate the opportunity to provide our comments and look forward to continued collaboration on this important issue.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kevin M. Kolevar".

**Kevin M. Kolevar**

Dow, Vice President, Global Public Policy & Government Affairs