

TESTIMONY OF STEFAN BRODIE

Purolite Corporation

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Good morning/afternoon. I am Steve Brodie, President and CEO of Purolite Corporation. Purolite is one of only two U.S. producers of ion exchange resin, which is a compound made of polymers of styrene and functionalized with amines that is used to: purify drinking water; remove contaminants from waste water; supply nuclear power plants with adsorbents to remove radioactive nuclides in their waste stream; supply the sweetener, sugar, and food industries with products for chromatographic separation; and produce decolorization and purification chemicals that are used in various industries. Our company currently employs approximately 300 people across the country, including 175 people at our production facility in Philadelphia and 50 people at our headquarters in Bala Cynwyd, Pennsylvania.

I am here today to urge you to remove the tariff subheadings containing ion exchange resin and its constituent polymers (3914.00.60 and 3903.90.50, respectively) from the list provided in Annex C of USTR's Request for Comments. This is critical for two primary reasons.

First and most importantly, the imposition of additional duties on ion exchange resin and its polymers would cause significant economic harm to

communities and manufacturers in the United States.

Currently, there is an acute shortage of ion exchange resin globally due to recent plant closures in China, Germany, and Italy. These plant closures have maxed out global production capabilities, causing six-month to one-year lead times and two recent price increases. We do not expect the supply situation to change in the near future because the plant closures are permanent and the limited number of remaining suppliers, including Purolite and Dow-Dupont, cannot make up the shortfall with increased production. Moreover, new sources of supply will not come online anytime soon, as it takes tens of millions of dollars and many years to permit and build a new factory and qualify its output. Therefore, there is no hope of additional manufacturing in the United States over the next four years.

Given that Purolite and Dow-Dupont are at maximum capacity, with 6 to 12 month lead times, and there are no other domestic manufacturers, the biggest benefactors of these tariffs are our international competitors, including Lanxess in Germany, Mitsubishi in Japan, and several small Indian suppliers.

By further reducing the supply of these products in the United States, the proposed tariffs threaten higher prices for U.S. consumers and a higher level of contaminants in our drinking water, food chain, waste water, and chemicals. Removal of lead from water - think Flint, Michigan - and removal of Chrome VI - think Erin Brockovich – are both accomplished with ion exchange resin. Further

shortages in the United States mean that drinking water contaminants like PFAS, nitrate, perchlorate, and arsenic won't be economically treated, resulting in rate increases for consumers, or worse, contamination events.

The second reason that it is critical that you remove the tariff subheadings containing ion exchange resin and its polymers from the list provided in Annex C is that the imposition of additional duties on these products would do nothing to eliminate China's acts, policies, and practices related to technology transfer, intellectual property, and innovation. USTR's Section 301 report explains that China has used these acts, policies, and practices in efforts to become a global leader in fields such as advanced information technology, robotics, and new energy vehicles. Despite our high-tech sounding name, the ion-exchange resin industry, to the best of my knowledge, has never been a focus of the Chinese government's drive to target strategic advanced technology manufacturing industries. Accordingly, USTR should aim to punish China's high-tech industries and leave ion exchangers alone.

For these reasons, which are discussed further in our written comments, I urge you to exclude ion exchange resin and its constituent polymers from any additional duties in this investigation.

Thank you.