



**DON'T PAUSE
PROGRESS**

Stop the "Break Free" Act from halting
America's innovation in plastics

ECONOMIC REPORT

"Break Free" Act Would Cripple U.S. Manufacturing, Jobs, Resilience

America's Plastic Makers are committed to providing solutions to address both plastic waste and climate change. The Break Free From Plastic Pollution (BFFPP) Act risks causing devastating economic impacts because it would "pause" U.S. production for 3-5 years of an essential material: plastic. Public policy should ensure that plastic can continue to play its critical role in our nation's manufacturing supply chain, rebuilding American resilience and combatting climate change.

A new economic analysis ("[Economic Implications of a Permit 'Pause'](#)", May 2021) finds that the Break Free From Plastic Pollution Act (as well as Title IX of the CLEAN Future Act) risks crippling American manufacturing, drastically slashing U.S. jobs and creating scarcities of countless products essential to modern life, from our health care to our cell phones and cars. It also would make America dependent on overseas countries for countless essential products, including those needed to combat climate change.

PRODUCTION "PAUSE" WOULD SLASH U.S. JOBS, MANUFACTURING, RESILIENCE

The Report measured the anticipated impacts of the BFFPP Act's provision requiring the Environmental Protection Agency to "pause" permitting of production at numerous plastic manufacturing facilities for multiple years. While a pause may sound harmless, the impact would result in the shutdown of key manufacturing facilities that support millions nearly one million jobs, create untold number of products and contribute to resilience in American supply chains. The loss of production would impact more than plastic – it would halt the production at these facilities of essential chemical building blocks – ethylene and propylene – that support nearly every sector of our economy.

The economic impacts would be enormous and devastating. The Report determined that the "pause" would put at risk as many as **910,000 jobs by 2026** and curtail as much as **\$413 billion in economic output by 2026**.

The "pause" proposal demonstrates a thorough lack of understanding of how American manufacturing works. Our "just-in-time" economy relies on an uninterrupted supply chain of essential materials and services that would be severely disrupted by the "pause" prescribed in the bill. The COVID-19 pandemic recently put our nation on pause – we don't need another even more devastating shock to our economy.

"PAUSE" WOULD DRIVE U.S. JOBS, MANUFACTURING, MARKETS OVERSEAS

A "pause" will not prevent plastic waste. It simply stops production of essential materials... in the United States.

It would drive U.S. jobs, manufacturing and markets overseas – as well as investment and innovation – making the American people and economy significantly more dependent on foreign companies and governments.

With U.S. facilities shut down and supply chains depleted, U.S. industries that rely on certain plastic and other essential materials (which is most industries) would need to import these materials, predominately from the Middle East. U.S. industries that purchase certain products made with plastic would need to source these products abroad, predominately from China.

Report: “The U.S. would go from being a net exporter of plastic resins to a large net importer. This trade impact would make the U.S. dependent on other countries likely China and the Middle East for a wide range of critical chemicals and plastics including plastics used in medical applications such as syringes, N95 masks, lightweight polymers and composites for fuel efficient vehicles and electric vehicle batteries and solar panels and wind turbines.”

These offshoring effects could become permanent, since many closed factories would be unlikely to reopen. Report: “[I]t is unlikely that production would quickly return to ‘pre-pause’ levels following the end of the ‘pause’. In the intervening years, customer industries will have shifted supply chains abroad. As a result, a share of the economic impacts presented in this report, including job losses, could become permanent.”

“PAUSE” WOULD CREATE SCARCITY OF ESSENTIAL, LIFESAVING PRODUCTS

Today’s pandemic laid bare the need for critical supplies to reach manufacturers and everyday people where needed... and on time. The “pause” would cripple production of essential materials, creating scarcities of countless products in virtually every sector of American economy. The pandemic and severe weather this winter shut down manufacturing facilities, including multiple facilities that make plastic, leading to shortages of materials and products that we rely on every day. The grave impacts of the “pause” would greatly exceed the impacts of those shutdowns.

- The manufacture of thousands of products derived from ethylene and propylene (two indispensable building block chemicals) would be severely impacted – products ranging from health care tools such as PPE and syringes to critical car components to cell phones and protective food packaging.
- With supply chains disrupted, businesses would be forced to search for alternatives that likely would be unavailable, less effective and/or less affordable.
- These shortages would quickly trickle down to consumers, who would suffer product shortages, added expenses and inadequate alternatives. Shortages experienced during the pandemic would pale in comparison.

“PAUSE” WOULD BE A STEP BACKWARD FOR COMBATTING CLIMATE CHANGE

The scarcities of essential products would quickly extend to materials that help combat climate change and reduce our nation’s environmental footprint.

To combat climate change, multiple sectors of the U.S. economy must drive down greenhouse gas emissions: building/construction, vehicles, power generation, waste management, food production, consumer goods and more. We need to build solar panels, wind turbines, electric vehicles, energy-efficient home insulation, lightweight car parts and more.

All these sectors and others rely on the plastic supply chain to help them reduce greenhouse gas emissions. Because plastic is strong yet lightweight, it allows us to do more with less material, resulting in less greenhouse gas emissions than alternatives.

However, the “pause” would inhibit the ability of these sectors to meet climate goals. In fact, it would encourage use of materials with significantly larger carbon footprints. Restricting the manufacture of plastic will torpedo our nation’s ability to meet its greenhouse gas emission reduction goals and be a step backward for our environment.

America’s plastic makers are deeply committed to ending plastic waste, but this proposal would stymie efforts to drive down greenhouse emissions, protect the environment, and build a more resilient economy. Congress should reject the Break Free From Plastic Pollution Act (as well as Title IX of the CLEAN Futures Act) to prevent seriously disrupting our nation’s economy and to ensure that plastic can continue to play its critical role in manufacturing supply chains.

The Report was researched and created by the Economics and Statistics Department at the American Chemistry Council. Access the report [here](#).

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