Advocacy tops the agenda

INSIDE THIS ISSUE

■ EO restrictions get political
■ Labor laws cause concern
■ EPA revises RMP ruling

■ Fly-In is fast approaching
■ Site visit successes
■ When is it right to relocate?
The Chemical Company provides global distribution and sourcing services for all sectors.

- Acids
- Composites
- C.A.S.E
- Agro/Fertilizers
- Flame Retardants
- Plasticizers
- Pollution Control
- Polymer Additives

Security of Supply defines The Chemical Company’s global strategy to ensure safety, accountability, and honesty while securing and reinforcing supply chains.

The Chemical Company fosters a love of chemistry through community outreach and public education programs while giving back to the chemical industry at large.
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Upcoming Events

For more details, go to www.nacd.com/calendar/

March 10, 2020
NACD Spring Regulatory Workshop – International Trade for Chemical Distributors, Renaissance Long Beach Hotel, Long Beach, CA

March 11-12, 2020
NACD Spring Responsible Distribution Workshop, Renaissance Long Beach Hotel, Long Beach, CA

April 22-25, 2020
Western Region Meeting, Mauna Lani Bay Resort, Kohala Coast, HI

May 20-21, 2020
Washington Fly-In, Capital Hilton, Washington, DC
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Welcome

State activity is on the rise

As we kick off the New Year, a lot is happening on both the policy front and within the business community. Notwithstanding the major distraction caused by the impeachment hearings and the impending election cycle, Washington is not expected to get a lot done in the coming months.

One good thing that has happened is ratification of the U.S.-Mexico-Canada trade agreement, which will benefit chemical distributors by providing certainty in North American markets. The “Phase One” U.S.-China deal is also providing hope that cooler heads will prevail in the trade discussions. However, there are still many issues that Congress must address in the near term, especially reauthorization of the Chemical Facility Anti-Terrorism Standards (CFATS).

Maybe because of the lack of action in Washington, we are seeing a concerning increase in legislative activity at the state level. Several states have proposals in the works that would ban ethylene oxide (EO) to various degrees, which would negatively impact the supply chain since EO is a foundational chemical used in the creation of many other chemical products.

Additionally, some states are looking at redefining who classifies as an independent contractor, potentially upending the logistics sector since some truck drivers would no longer be considered independent contractors. Given this increase in state activity, NACD is strengthening our state advocacy efforts to ensure smart, science-based policies are put in place that enable chemical distributors to thrive.

Outside of policy issues, distributors continue to see opportunities for growth and expansion at their companies. Continued low interest rates, cheap feedstocks, and a growing economy all bode well for distributors to remain economic engines for the foreseeable future. And despite the potential lapse in the CFATS program, distributors remain focused on ensuring the highest levels of security at their facilities to safeguard the products they have on site against bad actors.

2020 is already shaping up to be a busy year for the chemical distribution industry, even if Washington is predictably grinding to a halt.

ERIC R. BYER
President, NACD
@ebyerNACD

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AIC AGREES DEAL TO DISTRIBUTION EVONIK’S ALKOXIDES IN THE U.S.

American International Chemical, a subsidiary of LBB Specialties, has entered into an exclusive distribution agreement with Evonik for alkoxides in the U.S. pharmaceutical and nutrition markets. “AIC has primarily been involved in supplying excipients and active pharmaceutical ingredients to the finish dosage formulation side of the nutritional and pharmaceutical markets,” says AIC president Darren J. Birkelbach. “The distributor agreement for this product line allows us to expand our sales and marketing coverage into the preclinical, early phase development, and API production that support these industries.”

ORKLA HEALTH APPOINTS PALMER HOLLAND AS DISTRIBUTION PARTNER

ORKLA Health and Palmer Holland have entered into an exclusive distribution agreement focused on the food & beverage, nutraceutical, and dietary supplement markets in the U.S. and Canada. Palmer Holland will distribute Orkla Health premium quality purified Omega 3 oil, obtained from the fresh livers of cod fish, for a range of applications.

OMYA ANNOUNCES PRICE INCREASE FOR CALCIUM CARBONATE

Omya has raised prices for its calcium carbonate products in the U.S. and Canada by 8%, effective January 1, 2020 or as contracts allow. The increase is due to the rising cost of raw materials, chemicals, energy, labor, transportation, and general inflation seen across the region.

UNIVAR SOLUTIONS APPOINTS NEW EXECUTIVE VICE PRESIDENT

Univar Solutions Inc. has appointed Nicholas W. Alexes as executive vice president and chief financial officer, effective January 6. He succeeds Carl J. Lukach, who will transition into the role of executive vice president of corporate development. Alexes joins Univar Solutions after serving as executive vice president, chief financial officer, and chief administrative officer at Denton Sirona, Inc. Previously he served as a managing director of Madison Dearborn Partners, LLC.

BRENNTAG NORTH AMERICA OPENS NEW FACILITY IN PENNSYLVANIA

Brenntag North America, Inc., has announced the grand opening of its new coatings & construction technology & innovation center in Allentown, PA. The new site will further support customers in the U.S. and Canada who face coatings and construction formulation opportunities with technical solutions and inventive ideas. The center is the latest addition to Brenntag North America’s technology & innovation hub, which also includes centers for the food & nutrition and personal care industries. The new center is fully equipped to handle the industry’s latest formulation challenges and new application development in the adhesives, coatings, construction, elastomers, and sealants market segments. It will provide raw material evaluations, product performance testing, and physical, subjective, and visual testing. The new center is headed by Robert Souerwine, technical director of coatings & construction.

NEW TECHNICAL MARKETING DIRECTOR STARTS AT CHARKIT

Kruti Shah has joined Charkit as technical marketing director. She will report to Panos Yanopoulos, executive vice president of sales. Her role will be to develop a strategic business plan to achieve profitable growth within Charkit’s personal care business. As part of her new responsibilities, Shah will identify and recruit new suppliers. She will partner with the personal care team on sales calls to identify new opportunities and support Charkit’s customers with technical expertise, making recommendations for formulation challenges.

SEA-LAND CHEMICAL ANNOUNCES SEVERAL NEW JOB ROLES

Sea-Land Chemical Company has hired Brian Bundy as business development manager for the West Coast region of the U.S. and Western Canada. Bundy brings over 13 years of experience in the chemical distribution business, previously serving as a customer focused account manager and operations support for Silver Fern Chemical, Inc. and Neuchem, Inc. in the Pacific Northwest. Meanwhile, Buck Evans has been promoted to account manager. He is joining the outside sales team as an account manager for customers in the Great Lakes region in the U.S., after 10 years as an inside sales representative. Kirsten Knavel is now an inside sales representative, focusing on the Great Lakes and mid-Central region. Alexes Morgan has taken the role of technical specialist, having been part of the sales team for the past five years. She will join forces with Ted McClure, technical resources manager, to expand the technical team and provide additional support for customers, principal suppliers, and sales team.

IMCD CONTINUES TO GROW THE BUSINESS THROUGH ACQUISITIONS

IMCD has completed the integration of HORN into its IMCD US operations. HORN was acquired by IMCD in August 2018 and its integration completes the company’s transition into one IMCD US organization with dedicated market focus. “With the full integration of HORN, IMCD has created an industry-leading distribution channel, well-positioned for further growth in the U.S.,” said Marcus Jordan, president, IMCD Americas. IMCD has also acquired 100% of the outstanding shares of the Colombia-based ingredient distributor, Unired Químicas SAS. With an office in Bogota, Colombia, Unired distributes specialty chemicals and ingredients to the pharmaceutical, food, and personal care markets. In 2018, Unired generated a revenue of $8m and has approximately 15 employees. The company is expected to be fully integrated with IMCD this year.

BULKMATIC AND BULK FR8 ENTER JV AGREEMENT

Dry bulk transporter, Bulkmatic, and Bulk FR8 LLC, a specialist in liquid bulk logistics and freight management, are forming a joint
venture to provide nationwide truckload capacity solutions for dry bulk shippers. The new company, Dry Bulk FRB, combines their expertise in pneumatic tank truck management and brokerage, improving shippers’ ability to handle dry bulk supply chain challenges, and provide access to capacity from a large base of tank truck carriers capable of handling dry bulk loads. Dry Bulk FRB is headquartered at Bulkmatic’s newly-renovated corporate office in Griffith, IN. Bulk FRB’s employees have relocated from Seattle to the new company’s location.

**AZELIS INCREASES ITS PRESENCE IN LATIN AMERICA AND INDIA**

Azelis has completed the acquisition of Megafarma, a specialty chemicals and food ingredient distributor in Mexico. It is headquartered in Mexico City with two additional facilities in Guadalajara and Monterrey. The deal ushers in Azelis’ expansion into the Latin America region, enabling Azelis to gain a strong position in the pharma and food segments in Mexico, as well as build into other market segments, such as plastics, foam, CASE, personal care, and household & industrial cleaning. Azelis has also announced it will acquire 100% of the distribution and Indent business of S. Zhaferi Pharmakem Pvt. Ltd., headquartered in Mumbai, India. The acquisition significantly increases Azelis India’s presence and gives it a significant footprint in the fast-growing Indian pharmaceutical market. Meanwhile, Azelis appointed Dr. Heli Kilpinen as its first group strategy & digitalization director, responsible for strategy and change, focusing on processes and digital innovation. He will report directly to the CEO, Hans Joachim Müller.

**MICROCARE SHOWCASES ITS CLEANING SOLUTIONS AND HOSTS LIVE DEMOS**

MicroCare Corporation, a global manufacturer of critical cleaning, coating, and debinding products, will put the spotlight on sustainable cleaning and finishing solutions that help to improve the metal injection molding process when it exhibits at MIM 2020 in Irvine, CA on March 2-4. MicroCare will present its debinding and cleaning products, which have been developed to not only debind and clean effectively but in an economically and environmentally sound way. It also recently hosted live critical cleaning demonstrations at IPC APEX EXPO in San Diego in February, its team presenting the latest advancements in benchtop and vapor degreasing cleaning. Last December, it hosted a full-day reliability-focused event at the SMTA Silicon Valley Expo & Tech Forum in San Jose, where MicroCare technical consultant, John Hoffman, explained how electronics cleaning can be an important tool for enhancing reliability.

**THE CDN APPOINTS NEW EXECUTIVE DIRECTOR TO MANAGE ORGANIZATION**

The Chemical Distribution Network (CDN) has appointed Tom Wolk as executive director to manage the strategic and day-to-day activities of the organization. He has 36 years of chemical distribution experience having held sales, sales management, general management, director, and vice president roles while working with CHEM-CENTRAL and Univar Solutions. More recently, he was the regional vice president for Univar Solution’s LCD business in the East out of Atlanta, GA. “For the last 19 years, CDN has successfully combined the strengths and capabilities of our 18 member companies to deliver exceptional and sustainable value for our partners, domestic and abroad,” he said. “CDN has a strategic vision of continued growth and collaboration. By utilizing a broad base of assets, capabilities, and resources across our 45 facilities, our vision is being met. I look forward to the opportunity to work across the network driving significant value for our customers and supplier partners.”

**MAROON GROUP ADDS TO ITS TEAM AND EXPANDS WITH NEW LA OFFICE**

Maroon Group has appointed Chris Lupica (pictured) as vice president, principal management. He will work alongside the existing principal managers and the leadership team to help expand the portfolio of specialty chemicals and ingredients across North America. He has previously held a number of customer-facing roles with Americhem, Dow Chemical, and Chem-Point, working across a broad range of end markets, and gaining an understanding of the dynamics of global sourcing. The business has also made several other role changes across its business. Natalie Palagonia has joined its Southern California sales team, Karen Beaton has been promoted to customer service manager, Avon, supporting Maroon Group’s CASE and plastics verticals, and Melissa McElemore has transitioned into an expanded role as warehouse supervisor, Avon. Crystal Rampaul, meanwhile, has taken the position of account manager covering CARE customers in the Midwest. Andrew Kubitschek, who has been with Maroon Group serving CASE customers on the East Coast for the past four years, has relocated to Minneapolis and will be responsible for CASE Midwest accounts in Minnesota and Wisconsin. Maroon Group is proud to announce Dustin Beavis has become its new operations manager for its Avon, OH facility, supporting its CASE & plastics vertical. Beavis joined the business last August as an operations specialist and brought over three years of experience while working for both DHL Supply Chain and PEPSICO. Separately, the company has opened a West Coast office in Los Angeles, CA to support its legacy customers and commercial teams on the West Coast.

**HACROS CHEMICALS PROMOTES MARK HAMILTON TO CEO**

Effective January 1, Mark Hamilton has been promoted to the CEO of Harcros Chemicals, Inc., succeeding Kevin Mirner. Hamilton joined Harcros several years ago as the vice president and general manager of Harcros Organics. In mid-2018, he was promoted to COO, his responsibilities expanding to include the distribution business.

Mirner decided to step aside from the day-to-day management of the company and resigned his position as CEO. He will continue to serve on the Board of Directors as well as maintaining his role of overseeing Harcros’ activities in India.
IN MEMORIAM

LEE KAPLAN – TEXTILE CHEMICAL, BRENNTAG NORTHEAST

One of NACD’s founding members, Leon “Lee” Kaplan, born October 7, 1919, passed away on December 5, 2019 in Boca Raton, FL. Lee was born and raised in Philadelphia to parents who had emigrated from Eastern Europe at the beginning of the century. He attended Temple University after serving in the U.S. Army during World War Two, and then began a career as an accountant.

In the mid-1960s, he became the president of Textile Chemical Company, which today is known as Brenntag Northeast, Inc. of Reading, PA. Lee was instrumental in the initial growth of Brenntag across North America, mentoring many current Brenntag employees who began their careers under his leadership. He retired in 1990 and spent most of his retirement years in Boca Raton with his wife, May.

GENE MCDONALD – MONSON COMPANIES

NACD Distributor of the Year, Eugene “Gene” McDonald, passed away in his home December 14, 2019. Born in 1943 in Bronx, New York, Gene graduated from SUNY Maritime College in 1964. He first worked for the U.S. Navy and at an Atomic Energy Commission laboratory.

After 20 years with Monsanto, Gene took a position with Church and Dwight Co. as director of chemical sales and then general manager of specialty chemicals. In the early 1990s, he joined Koda Enterprises, a private equity group. There, he performed as president and CEO of chemical distribution company Monson Companies, Inc. and as president of Koda Distribution, Inc.

While president and CEO at Monson, Gene was also an active member of NACD. He served on the Responsible Distribution Process Committee and received the 1997 Distributor of the Year award.

BYRON CONGER TARR – TARR LLC

Byron Tarr, 87, passed away in his home November 23, 2019. Byron and his twin brother, Ron, were born in Klamath Falls, OR, to Frank and Pansy Tarr. He graduated from the University of Oregon and became a lifelong Duck fan.

Byron began his career at Standard Oil in Coos Bay, OR. In 1972, he left Standard and purchased a small Portland petroleum company, Priestly Oil & Chemical. By the mid-1980s, under a new name, Tarr Inc. had expanded its facilities to include Seattle, WA, and Phoenix, AZ. In 1982, his son, Skip, joined the business and currently owns and operates Tarr LLC. In 2012, under Skip’s leadership, Tarr LLC was awarded the Responsible Distribution Excellence Award by NACD.

CHUCK KELLOGG – HUBBARD-HALL

NACD Lifetime Achievement Award recipient, Charles “Chuck” Kellogg, passed away on November 20, 2019, aged 88. Chuck was born in Waterbury, CT, on November 23, 1931, and lived in the area all his life.

He graduated from Princeton University in 1953, after which he served in the U.S. Army in Germany as an officer during the Korean War. Upon earning his MBA from Columbia University in 1957, Chuck joined Hubbard-Hall as a fifth-generation family member. His leadership roles included president, CEO, and treasurer. For the last five years, Chuck served as chairman and CFO until his daughter, Molly, became chairman last year.

Chuck was deeply dedicated to charitable activities and public service. He served on numerous boards of directors, including many in the Waterbury area. For over 40 years, Chuck also was an ardent supporter of NACD, serving on numerous committees, as treasurer in the Northeast Region, and on the Board of Directors.

He won many awards for his business expertise and volunteer service, receiving the Malcolm Baldrige Community award in 2006 for outstanding service. He was named Distributor of the Year by NACD in 1996 and received NACD’s Lifetime Achievement Award in 2015. He also served as the association’s chairman from 1982-1983. Chuck was instrumental in the early formation of the NACD Educational Foundation, now known as the Chemical Educational Foundation.

In lieu of flowers, the family has requested donations to the Chemical Educational Foundation in his memory.

In lieu of flowers, the family has requested donations to the Chemical Educational Foundation in his memory.
THE VIEW FROM WASHINGTON

NACD VERSUS THE ELECTION-YEAR LEGISLATIVE CALENDAR

With seemingly years’ worth of political action happening in just a few weeks’ time, the new decade has started fast and shows no signs of slowing down.

Doug Leigh & Jack Detiveaux
Washington DC

Between the impeachment proceedings, international tensions with Iran, the Chinese coronavirus, and the start of the presidential primary season, 24-hour news outlets are for the first time seeing an excess of content to fit their cycle rather than a shortage.

On Capitol Hill, the U.S. Senate is trying to resume business after concluding its trial and acquittal of President Trump in just under three weeks. U.S. House of Representatives members, however, have found themselves in the throes of a new infrastructure proposal from the House Transportation and Infrastructure Committee (still conspicuously lacking any specifics on a funding mechanism).

After a tumultuous start in Iowa, primary season is now in full swing with the now-winner field fighting for the opportunity to face President Trump this fall.

The 116th U.S. House of Representatives currently sits with 232 Democrats, 197 Republicans, one Independent, and five vacancies following the death of Rep. Elijah Cummings (D-MD) and the resignations of Reps. Sean Duffy (R-WI), Chris Collins (R-NY), Katie Hill (D-CA), and Duncan Hunter (R-CA).

This number reflects the impeachment-related party changes of both Justin Amash (R-MI) who left the GOP in favor of independent status and Jeff Van Drew (R-NJ) after his switch from Democrat to Republican.

The Senate, however, remains steady at a 53-47 split in favor of Republicans. New to the Senate is Kelly Loeffler (R-GA), who was appointed following the retirement of Johnny Isakson (R-GA). Looking to November, it seems likely that each party will maintain control of their chamber, with only an outside chance of the Senate majority being in play.

**CFATS REAUTHORIZATION**

Stop us if you’ve heard this one before – the expiration of the U.S. Department of Homeland Security’s Chemical Facility Anti-Terrorism Standards (CFATS) program is rapidly approaching on April 18, 2020, and Congress currently does not have passable bipartisan, long-term reauthorization legislation in sight.

Once again, similar to how the 15-month CFATS program extension played out in January 2019, Congress finds itself trying to beat the buzzer and pass legislation ensuring the continuation of this important security program that has near-unanimous support on Capitol Hill.

As of February 2020, only a single reauthorization bill has been introduced in either Chamber. The highly partisan bill, H.R. 3256, was introduced by House Committee on Homeland Security Chairman Bennie Thompson (D-MS) last June and passed by the committee along party lines, cementing any true chance of passage if it were to ever arrive in the Republican-controlled Senate’s hands.

With no practical CFATS reauthorization bill on the table in either chamber, in all likelihood, Congress will once again need to coalesce around a clean extension of the program to prevent it from expiring. Consequently, punting the chance for a truly comprehensive and long-term reauthorization into the 117th Congress.

In a near miracle, the Senate was able to pass the revised U.S.-Mexico-Canada Agreement with a massive 89-10 majority just before the impeachment trial began. Though much of the trade policy world is taking the time to celebrate the victory, NACD – alongside coalition partners – is beginning talks in the House Ways and Means and Senate Finance Committees on passage of a Miscellaneous Tariff Bill (MTB) as well as an extension of the Generalized System of Preferences (GSP).

GSP will likely ride alongside other expiring measures this fall, with the only threat to renewal being rumored changes to country eligibility. MTB will almost certainly be part of an end-of-year package as the U.S. International Trade Commission is unlikely to send its final report to Congress until mid-August – leaving only September and the few session weeks in November and December to deliberate.

**STATE INITIATIVES**

New this year to NACD’s list of initiatives is an organized effort to engage on state-level legislation. As the Congressional process continues to slow, a slew of hyperactive state legislatures have emerged to try to pass bills reaching everything from chemical bans to changes to labor law. In response, NACD has contracted new tracking and grassroots services to supplement advocacy done by state chemistry associations and NACD lobbyists. While there is no shortage of bills that NACD opposes at the state level, initial focuses relate to the use and regulation of per-and polyfluoroalkyl substances and ethylene oxide as well as independent contractor classification.

“NACD has contracted new tracking and grassroots services to supplement advocacy done by state chemistry associations and NACD lobbyists”