

# Radchem Products, Inc.



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## Market Report *Bill Radostits*

The following products have gone up in price in the last 30 days by \$.03/LB: Rubber Solvent, Camping Fuel, Stove and Lantern Fuel, Hexane, Heptane, 180-210 Solvent, 195-208 Solvent, Special Lactolite, Lactol Spirits, 210-245 Solvent, Naphthol Spirits, 300-360 1%, 142 Solvent, LPA 142, Regular Mineral Spirits, Non Exempt Mineral Spirits, Mineral Seal Oil, Mineral Spirits 1%, 150 Solvent 66/3, Mineral Spirits 75, 170 Solvent, LPA 170, Citgo 500 Solvent, LPA 210 Solvent, 400-500 Naphtha 1%, K-1 Kerosene, 600 Solvent, LVP 100, LVP 200, LVP 300, Calprint 35, Calprint 38, VM&P Regular, VM&P Rule 66 1%, and several other specialty aliphatic hydrocarbon solvents. These increases were announced across the market and were the result of crude oil increases and hydrocarbon feedstock. The increase in alternative value for the feedstocks that yield gasoline, diesel, jet fuel, and other distillates, caused the move.

The recent decision by Britain to leave the European Union has had an immediate effect on global oil prices. After the Brexit vote last Friday, oil prices dropped about \$4 per barrel or about five percent lower from \$51 to \$47 per barrel. It is too early to tell if this is a temporary drop or something that will continue to impact the global oil prices. The lower Crude Oil price is a result of a stronger US dollar. If fuels drop as a result of Crude Oil, solvents could follow.

The Acetone supply in the market is tight. The flooding in the Houston area has affected production of Cumene which is a feedstock to produce Acetone. Shell, Ineos, AITIVIA, Sasol, and others have all increased their prices by \$.03-\$.05/LB. The increases are firm, but some brokers and national distributors with barge related tanks are still selling Acetone for lower numbers based on old inventory. Radchem has product available at competitive market prices.

Isopropyl Alcohol 99 and USP grade went up \$.02/LB the end of May and is holding firm. IPA 99 and USP grade are going up an additional \$.03/LB on June 25<sup>th</sup>. There are other announcements for increases effective between June 25<sup>th</sup> and July 1<sup>st</sup>. They are as follows: \$.03/LB on N-Butyl Alcohol, N-Propyl Alcohol, N-Butyl Acetate, N-Propyl Acetate, Glycol Ethers EB, DB, DPM, DB Acetate, EB Acetate, PM, and PM Acetate, Hexylene Glycol, Diacetone Alcohol, Methyl Ethyl Ketone, Methyl Isobutyl Ketone, Secondary Butyl Alcohol, White Oils 90 NF, 70 NF, 55tech, and 180 NF.

Aromatic Solvents have stayed relatively quiet. Demand for gasoline is flat, and cheap reformat is readily available, so Toluene and Xylene demand has slowed down for the last 30 days and prices have not moved from mid May levels.

Aromatic 100 and 150 demand has increased and pricing went up \$.03/LB in mid June.

Methanol prices in June traded as high as \$.67/G per gallon in barge size quantities. The spot average barge price in June is up \$.035/G from where it was in May.

|                  | Mar. 2016 | April 2016 | May 2016 | June 2016 |
|------------------|-----------|------------|----------|-----------|
| <b>Crude Oil</b> | \$38.30   | \$42.26    | \$47.44  | \$50.09   |
| <b>Diesel</b>    | \$1.18    | \$1.28     | \$1.46   | \$1.53    |
| <b>Gas</b>       | \$1.25    | \$1.46     | \$1.61   | \$1.61    |

## TSCA Reform Signed

Source: <http://www.sutherland.com>

On June 22, 2016, President Obama signed into law the “Frank R. Lautenberg Chemical Safety for the 21<sup>st</sup> Century Act”, the first amendments to the Toxic Substance Control Act (TSCA) since its passage in 1976. The new amendments significantly change the way that the E.P.A. administers TSCA, granting EPA new regulatory authority while providing manufacturers with greater consistency in the implementation of the law after decades of inconsistency.

### EPA’s Revamped Chemical Inventory

The new TSCA will require the EPA to reset its chemical inventory in its entirety within one year from the bill’s passage into law. The EPA must update its entire chemical inventory to include all chemicals in commerce in the United States, assess which chemicals are high priority, and create a risk evaluation process, identifying which chemicals present an unreasonable risk to human health. While the original TSCA granted EPA this authority, EPA was not specifically mandated to follow through; the new TSCA provides a clear mandate for EPA to assess all chemicals in commerce.

### EPA’s New Authority to Order Testing

EPA will be able to unilaterally **order** testing of substances for its chemical assessments. This new authority is in addition to the EPA’s existing tools for requiring testing as part of rulemaking or consent. While orders may become a quicker method of whether to regulate, EPA must include a statement of need justifying its use of an order instead of a rulemaking or consent agreement to require testing. The question is whether this statement of need will be a cursory exercise by the EPA to eliminate input from industry, or if the EPA will articulate well-reasoned justifications.

### High Priority Chemicals and Cost Considerations

The EPA must regulate chemicals that present unreasonable risk of injury to health, environment or exposed subpopulations, without consideration of costs or other non-risk factors. EPA will categorize “high priority” chemicals through a screening process which must be developed within a year of the law’s passage. If a chemical is designated as high priority, the process will have a timeline for evaluation with applicable deadlines. A “low priority” result would relax the deadline.

EPA’s risk evaluation will likely have a significant impact on the regulated industry. In conducting evaluations, EPA can order companies to conduct tests. There appears to be few limits on the scope and frequency of those testing requirements, so companies may face more administrative hurdles and costs during the evaluation process.

When a substance is ruled as “unreasonable risk”, EPA must limit the regulation to the scope of its risk evaluation and must take into account the economic impacts of the rule, including its effect on “the national economy, small business, technology innovation, the environment, and public health”.

### Preemption and Regulatory Consistency

Under the “high priority pause”, while the EPA considers whether a chemical substance presents an unreasonable risk, a state is preempted from issuing a law, a criminal penalty, or an administrative action on the substance. The high priority pause will prevent the current scenario of multiple states regulating a single chemical in conflicting ways while manufacturers await yet another layer of regulation.



To place an order, please call our main office at (708) 966-4044; or email PO’s to our NEW Customer Service email address: [cs@radcheminc.com](mailto:cs@radcheminc.com)

