September 12, 2013

The Honorable David Camp
Chairman
House Committee on Ways and Means
1106 Longworth house Office Building
Washington, DC 20515

The Honorable Sander M. Levin
Ranking Minority Member
House Committee on Ways and Means
1106 Longworth house Office Building
Washington, DC 20515

Dear Chairman Camp and Ranking Member Levin:

I am writing to restate our opposition to temporary suspension of the duty on certain hydrogenated polymers of norbornene derivatives, as proposed in Section 1001 of H.R. 2708. As noted in our April 23, 2012 communication to the U.S. International Trade Commission (attached), the imported products in question compete with resins manufactured in the United States by SABIC's Innovative Plastics business.

Section 1001 of the bill would suspend the import duty on a cyclo olefin polymer (COP) imported by Zeon Chemicals under the brand names Zeonex and Zeonor. On its website (http://www.zeonex.com), Zeon highlights properties such as transparency, dimensional stability and heat resistance that render its COP a likely competitor to at least two resins made in the U.S. by SABIC's Innovative Plastics Business: LEXAN* polycarbonate (PC) and XYLEX* PC/polyester.

Overlapping applications may include: optical film, medical applications such as break-resistant vials and syringes, silicon wafer transport and storage devices, LED applications, optical component and lens applications, light guides and diffusers for LCD screens, and injection or blow mold applications.

That these resins compete is highlighted on Zeon's website, which directly compares the performance of its resin to polycarbonate in several instances. For example, Zeon's website states that "ZEONEX allows for more precise molding than with PC and other plastics," and asserts that "ZEONEX COP has a refractive index similar to glass. The refractive index is significantly lower than Polycarbonate (PC)."

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SABIC's Innovative Plastics business manufactures both LEXAN and XYLEX at its facility in Mt. Vernon, Indiana. That site is the largest employer in Posey County, with over 1180 employees. LEXAN resin is also produced at our facility in Burkville, Alabama, which employs approximately 340 people. In addition, LEXAN polycarbonate, copolymers, blends and specialized grades are produced and/or compounded at facilities in Ottawa, Illinois; Selkirk, New York; and Thorndale, Pennsylvania. These SABIC resins are also fabricated into sheet, film, rod, tube and other products by SABIC's Specialty Film and Sheet business and distributed through a network of over 70 Polymershapes outlets. LEXAN and XYLEX contribute significantly to SABICS's Innovative Plastics business in the United States, which employs approximately 3,900 people.

Accordingly, since there is domestic manufacturing, processing and distribution of competing products, SABIC's Innovative Plastics business requests that the proposed duty waiver for Zeon COP be removed from H.R. 2708. The elimination of tariffs on imports for a product that competes with our resins in a multitude of applications represents a threat to SABIC's Innovative Plastics business and to the jobs that it provides in Indiana, and Alabama, Illinois, New York, and Pennsylvania and elsewhere across the United States.

Sincerely,

Tony Cerruti
Marketing Director - Americas

cc: The Honorable Richard Neal
The Honorable Larry Buschon
The Honorable Terri Sewell
The Honorable James Gerlach

SABIC

Danielle Cannata
International Trade Counsel

Ray Cantrell
International Trade Analyst
Chemicals Division
U.S. International Trade Commission
500 E St., SW, Room 513-I
Washington, DC 20436

April 24, 2012

Dear Mr. Cantrell,

I am writing in reference to H.R. 1503 (To Suspend Temporarily the Duty on Certain Hydrogenated Polymers of Norbornene Derivatives). SABIC's Innovative Plastics business asks that cyclo olefin polymers (COP) imported under the brand name Zeonex/Zeonor by a company called Zeon Chemicals ***not*** be included in this year's Miscellaneous Tariff Bill. SABIC's Innovative Plastics business manufactures a competing product called LEXAN* resin here in the United States. LEXAN resin is used in several key application areas such as food and medical packaging, business machine housings, light management and optical media.

Both LEXAN resin and Zeon's COP have similar properties which make them candidates for many of the same types of applications. Overlapping applications may include: optical film, medical applications, silicon wafer transport and storage devices, LED applications, optical component and lens applications, light guides and diffusers for LCD screens, and injection or blow mold applications. When selecting a resin for a particular application, customers consider how well a resin's properties fulfill the application requirements together with the price of the resin

SABIC's Innovative Plastics business manufactures LEXAN resin in Indiana and Alabama. Our facility in Mt. Vernon, Indiana is the largest employer in its county with approximately 1150 employees. Its wages are some of the most competitive in its region with an annual payroll plus benefits of $125.7 million. Our facility in Burkville, Alabama employs approximately 350 people. Its wages are again some of the most competitive in that region with an annual payroll plus benefits of $33 million.

*LEXAN is a trademark of SABIC Innovative Plastics IP B.V.

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Saudi Basic Industries Corporation

SABIC

Accordingly, since there is domestic manufacture of a competing product, SABIC requests that the Zeon COP be excluded from the MTB. At a time when petrochemical feedstock costs have risen dramatically, SABIC's Innovative Plastics business cannot afford to have margins further reduced by lower-cost imports. The elimination of the tariff on imports of these competitor products would indeed be detrimental to SABIC's Innovative Plastics business and to the jobs that it provides in Indiana and Alabama.

Sincerely,

Danielle Cannata
International Trade Counsel

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