



November 16, 2012

Hon. Dave Camp, Chairman  
House Ways and Means Committee  
United States House of Representatives  
1101 Longworth House Office Building  
Washington, D.C. 20515

Hon. Sander M. Levin, Ranking Member  
House Ways and Means Committee  
United States House of Representatives  
1101 Longworth House Office Building  
Washington, D.C. 20515

Dear Chairman Camp and Ranking Member Levin:

Specialty chemical producer Rhodia Inc., a member of the Solvay Group, has learned of opposition to H.R. 4722 in which Rhodia has proposed to suspend temporarily the import duty on aqueous mixtures of polyvinyl alcohol and polyvinyl pyrrolidone (HTSUS 9902.01.00).

Rhodia believes Ashland's action is misplaced and invalid because Ashland's product and Rhodia's are different products with different classifications and distinct applications. In fact, from a technical and efficacy standpoint, the products identified by Ashland Specialty Ingredients are not only distinct from Rhodia's, but could not be used in the same fashion as Rhodia's products.

Specifically, our product is a microgel (reticulated) PVOH with very well-described size distribution, covered by a patent. Our product also features a level of reticulation optimized to be compatible with cement slurry used in oil and gas exploration, and provides a sealing effect between the grains of cement while it sets.

The microgel is then blended with PVP to enhance stability with certain types of cement slurry design.

The reticulation is rapid (within only a few minutes) and requires specific equipment to handle high viscosity development during the reaction time. A high shearing device is also required to control the size of the particle that a blending facility (as manufactured by Ashland) cannot achieve.

Note as well that Rhodia's product is patented and carries a different CAS number than Ashland's.

And last but not least, it can be easily demonstrated that simple blends of PVOH and PVP produced by Ashland will not meet the customer needs for blocking gas migration when cementing a well. Rhodia's product in fact serves this purpose.

This is an important point in light of the Macondo (Deepwater Horizon oil spill) accident when the operator lost the control of gas migration before the cement set.

To summarize, Rhodia's product meets criteria for duty suspension because

- Its key functions are patented;
- It carries a distinct CAS number;
- It is a reticulated microgel PCOH with specific size distribution to ensure sealing effectiveness compatible with cement slurry used in oil & gas exploration.
- Its reticulation is rapid and requires specific equipment to accommodate high viscosity during reaction time and to control particle size, which a blending facility cannot achieve.
- Ashland's PVP and PVOH cannot substitute for Rhodia's product because its properties cannot provide the functionality required in field use.

Rhodia is prepared to provide further documentation to pursue H.R. 4722 and we would be happy to answer any questions from the committee or ITC staff.

Thank you for your consideration.

Sincerely,



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