

SOLVAY FLUORIDES

SOLVAY FLUORIDES, INC.

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June 3, 2002

BY TELECOPY (202) 205-2150

Mr. Jack Greenblatt
US International Trade Commission
500 E Street S.W., Room 5131
Washington, DC 20436

Re: Pending H. R. Bills 4147, 4148 and 4234

Dear Mr. Greenblatt:

We have been advised that the House of Representatives is considering temporary suspensions of the duties on various fluoride chemicals as contained in bills H.R. 4147, H.R. 4148 and H.R. 4234. This letter is to inform you that the implementation of these duty suspensions will damage our ability to maintain our current market position and adversely impact our intent to increase production of fluoride products, which could eliminate potential employment opportunities in our plant communities.

Solvay Fluorides, Inc., is headquartered in St. Louis, Missouri, with manufacturing facilities located in Alorton, Illinois, and Catoosa, Oklahoma. We have an affiliated company, Solvay Fluor Mexico, with a plant located in Juarez, Mexico. All of these facilities are involved in the manufacture of inorganic fluoride chemicals using the raw materials produced at the Juarez plant. The Solvay Group purchased the Alorton and Juarez facilities with the objective of establishing a strong position in fluoride products in the NAFTA market. At the present time, over 95% of the production from the Juarez facility is marketed in the US direct to end users or to our own plants as a raw material. The importation of such products from Mexico has not recently been subject to import duties, unlike the importation of such products from other countries. This was a factor in the Solvay Group's decision to make the acquisitions.

H. R. 4147 and H. R. 4148 contain language that would suspend duty on Potassium Fluoride of two different grades. We currently manufacture a liquid form of Potassium Fluoride at our Alorton, Illinois plant, which competes in the market with the products included in the above legislation. The suspension of duty on these products will have a negative impact on our business and any future consideration to invest in the manufacture of these other grades of product. We respectfully request that this suspension not be adopted by the House.

H. R. 4234 contains language that would suspend the duty on Ammonium Bifluoride, which is manufactured at the Juarez facility for supply to the US market. Production of Ammonium

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Bifluoride is a primary contributor to the economic viability of the Juarez plant and to the marketing effort of the other fluoride products produced at the US plants. The production facilities in Mexico and the US are interdependent based on raw materials and finished goods sold in the US. The implementation of this duty suspension could adversely impact our production of fluoride products and potentially eliminate potential employment opportunities in our plant communities. We therefore, respectfully, request that this suspension not be adopted by the House.

Finally, we also request that we continue to be notified of any other proposed legislation that would impact our inorganic fluoride business by suspending duties.

Thank you for your consideration in this matter. Please contact me if you have any questions.

Respectfully,

SOLVAY FLUORIDES

Mark E. Looney
Vice President-Inorganic Fluorides

MEL/cjh

cc: Chairman
Committee on Ways and Means
US House of Representatives
1102 Longworth House Office Bldg.
Washington, DC 20515
BY TELECOPY (202) 225-2610

Chairman
Committee on Finance
US Senate
Washington, DC 20510-6208
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