

Hitachi Chemical Co. America, Ltd.

1333 Lawrence Expressway Suite 212,
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Tel:408.244.2570 Fax:408.244.0607
URL:<http://www.hitachi-chemical.com>

May 28, 2002

Congressman Philip M. Crane (R-IL), Chairman
Subcommittee on Trade of the Committee on Ways and Means
U.S. House of Representatives
1104 Longworth Building
Washington, D.C. 20510

Re: Congressional Bill; H.R. 4196

Dear Sir:

I am a fellow American, working at Hitachi Chemical Co. America, Ltd., who is in strong support of H.R. 4196, which would amend Subchapter II of chapter 99 in the Harmonized Tariff Code of the United States by providing new heading of 9902.39.14 – [Epoxy molding compounds, of a kind used for encapsulating integrated circuits (provided in the subheading 3907.30.00)], as temporarily duty-free.

Hitachi Chemical is an importer of a variety of chemical products, including epoxy molding compounds, which are used for encapsulating integrated circuits. In Hitachi's opinion, there are strong considerations why this bill should be passed:

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1. Many of our customers in the high tech area are under tough financial constraints due to the current economic situation. Amending the tariff classification under the new heading would provide some relief to them in purchasing these types of epoxy molding components. This in turn, will enable our customers to be more competitive globally. Our customers (i.e., TI, Micron, Payton, and Motorola) have indicated they would like us to join with them in support of this bill.
2. It is our position that passage of this bill would help stimulate the semiconductor industry. As you are aware, the high tech industry throughout the United States has suffered economically. We believe that the temporary suspension of duty on this product will contribute to the overall recovery of an industry that plays such a vital role in American society.
3. There is no comparable industry in the United States that manufactures epoxy molding compounds of a kind for encapsulating integrated circuits. Thus, the products covered by this bill are not competitive with any products that are made in the United States. Thus, this bill would not be a controversial one.
4. In our opinion, the provisions of this bill would be easy to administer by the Customs Service.
5. There are no scheduled stage reductions for HTS subheading 3907.30.00 as a result of the Uruguay Round of stage reductions, pursuant to GATT negotiations. Thus, the only way in which the duty rate can be reduced is via passage of H.R. 4196.
6. Finally, we believe that H.R. 4196 should be made retroactive to entries made on or after January 1, 2002.

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We strongly support your efforts on this issue. If we can offer any additional support please let us know.

Best Regards,

Larry L. Inouye
Product Manager
Hitachi Chemical Co. America, Ltd.

cc: Mike Honda – U.S. Congressman 5th district
Tadao Kurosawa – HCA President
Richard Harper – Legislative Director
Office of Senator - Dianne Feinstein