



June 22, 2012

The Hon. Kevin Brady
Chairman, House Ways and Means Subcommittee on Trade
1102 Longworth House Office Building
Washington, DC 20515

The Hon. Jim McDermott
Ranking Member, House Ways and Means Subcommittee on Trade
1102 Longworth House Office Building
Washington, DC 20515

RE: Objection to H.R. 4541 – Tungsten Oxide

Dear Representatives Brady and McDermott:

Global Tungsten & Powders (GTP) is a US domestic producer of multiple specialty chemicals and refractory powders, including tungsten oxide.

We write today to **object to H. R. 4541** a Miscellaneous Tariff Bill request from Representative Renee Ellmers of North Carolina's 2nd District that would suspend duties on **tungsten oxide** for a period of three years.

We do not believe that passage of this bill is in the national interest: removing these duties will threaten American producers of tungsten oxide powders, including GTP, by allowing Chinese producers to “dump” material into the US market. This will eliminate competition from US manufacturers, ultimately resulting in a foreign monopoly controlling this tungsten oxide material.

GTP is the largest tungsten producer in the US and the second largest ammonium paratungstate (APT) producer in the world. APT is the precursor for all tungsten products produced. We produce tungsten chemicals, tungsten oxides, tungsten and tungsten carbide powders, phosphors, SOFC interconnect plates and many other specialty materials. In 2011, GTP produced over eight million kgs of APT, most of that material was further processed into tungsten oxide, tungsten powder, and tungsten carbide powder, and a majority of these products were sold in the US. GTP products, all manufactured by 1000 American workers in Towanda, Pennsylvania, are used in a wide variety of commercial and defense components. During our long history of

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manufacturing in Pennsylvania, we have invested hundreds of millions of dollars in our chemical operations, reduction furnaces, powder spray drying capabilities, carburizing furnaces, presses, sintering furnaces, and analytical equipment. Our process starts with ore concentrate and tungsten-containing secondary raw material. We have a large chemical plant on site and use a hydrometallurgical process to convert our starting raw materials into ammonium metatungstate, ammonium paratungstate and tungsten oxides. From there, the chemicals are reduced into metal powders and further processed into carbide powders. There are few US manufacturers that produce tungsten oxide powders, and GTP is the only vertically integrated company that can produce tungsten oxide from the full slate of ore concentrates.

Tungsten oxide powders are used in the production of tungsten and tungsten carbide powders which are used in the production of tool inserts, rods, and drill bits for applications involved in automotive production, defense and aerospace manufacture, and energy exploration. In recent years, increasing imports of tungsten oxide from China, priced at unsustainably low levels, have created price erosion in the US market. If a duty suspension is granted, continued Chinese dumping will price US manufacturers out of the industry. The continued success of our tungsten oxide, tungsten powder and carbide powder lines are of great importance to GTP's future, and maintaining competitive pricing and market share of these powders are key components in this strategy.

Additionally, the relaxation of duties will deprive the federal government of significant revenues, all collected from foreign manufacturers. Based on 2011 U.S. import data as reported by USITC, the customs value of imports of tungsten oxide were \$88,314,602, of which \$73,336,244 was imported from China (83%). Calculated duties were \$4,545,938, of which Chinese importers were responsible for \$3,881,646. As you know, suspension of the duty at this level would significantly exceed the annual "PAYGO" type of limitations that are normally suggested by the CBO. In addition, there would be lost tax revenues on reduced tungsten oxide sales as imports of tungsten oxide take more U.S. market share.

During the past 12 months, GTP has invested over \$15 million dollars of capital equipment in an expansion of our APT and tungsten oxide production areas to meet customer demand, and we are currently further expanding and modernizing our tungsten and tungsten carbide powder furnaces. A removal of the duty could shift volume from US producers to more imports from China, threatening the economic rationale for this investment. Clearly, the maintenance of the current US duty rate is important for the continued viability of GTP and other US domestic producers of tungsten and tungsten carbide powders. Decreasing or suspending the U. S. duty will encourage more imports to displace domestic market share, thereby negatively affecting any new investments in the U. S. tool industry and energy exploration community, including GTP's Towanda facility.

As you are well aware, Miscellaneous Tariff Bill requests are usually only granted if they are "noncontroversial," including no domestic production. Because GTP and other US manufacturers are engaged in the manufacture of tungsten oxide, H.R. 4541 does not

meet this requirement, and we urge you to remove tungsten oxide from the Miscellaneous Tariff Bill package.

In order to inform all parties of our objection, we will also send copies of this letter to the Department of Commerce and the U.S. International Trade Commission. Please do not hesitate to contact Paul Sedor of GTP in our Towanda, PA offices at (570) 268-5105 or Jeff Green of Green & Company, at their Washington, DC offices at (202) 546-0388 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Stacy Garrity".

Stacy Garrity
Director Sales and Marketing
Global Tungsten & Powders
(570) 268-5175

Attachment: GTP brochure

Cc: Ms. Allison Giles, Majority Staff Director
Representative Tom Marino

Tungsten Trioxide and Tungsten Blue Oxides

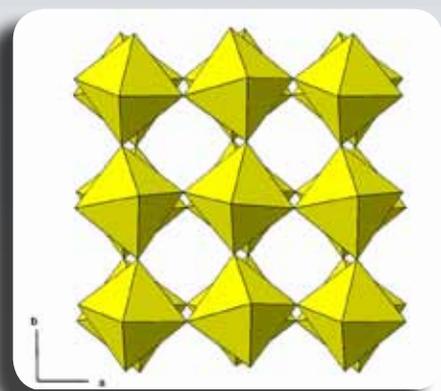
Technical Information Bulletin

Powders That Shape Your World



Tungsten trioxide is a thermally stable and water insoluble tungsten compound. Tungsten trioxide and tungsten blue oxides are both used in the production of tungsten metal powders. Both products are produced from internally manufactured ammonium paratungstate (APT).

Yellow Tungsten Trioxide is a finely divided, yellow, crystalline powder. It is produced by roasting ammonium paratungstate at closely controlled temperatures to drive off combined water and ammonia.



Polyhedral Representation of WO_3

Yellow tungsten oxide is commonly used in the manufacture of coarser tungsten carbide powders.

Tungsten Blue Oxides (TBO) are finely divided blue-violet powders. They are produced by heating ammonium paratungstate at closely controlled temperatures in a reducing atmosphere. GTP produces two standard grades differing mainly in oxygen content. Tungsten Blue Oxides are used primarily for the production of tungsten metal powder and fine tungsten carbide as well as wire products.



Exact time and temperature control determines, to a large extent, the physical properties of the tungsten oxide. Physical characteristics, impurity levels, or packaging, other than our standards, can be discussed upon request by customer.

Impurity Content (ppm):

Element	Content
Al	20
As	25
Ca	50
Cr	20
Cu	15
Fe	80
K	50
Mg	50
Mn	50
Mo	150
Na	70
Ni	30
Si	35
Sn	15

Purity, % by difference (excluding gasses): 99.75% Min.

Composition:

Oxide Type:	Comp.	Oxygen Content
Yellow Oxide:	WO_3	20.7%
Blue Oxide:	$WO_{2.95}$	20.4%
Blue Oxide:	$WO_{2.81}$	19.6%

Physical Properties:

Oxide Type:	Comp.	Particle Size ¹	Density ²
Yellow Oxide:	WO_3	10-20	32-55
Blue Oxide:	$WO_{2.95}$	5-20	30-55
Blue Oxide:	$WO_{2.81}$	10-20	25-55

Footnotes:

¹ Particle size is Fisher-Sub-Sieve-Size (μm)

² Density is Scott Density (g/in^3)

Tungsten Oxide (Blue & Yellow)

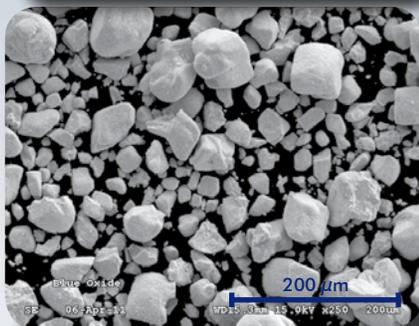
Technical Information Bulletin

Powders That Shape Your World



Yellow Tungsten Oxide

- Magnified 250 times
- WO_3
- Particle size 10-20 μm (FSSS)



Tungsten Blue Oxide

- Magnified 250 times
- $WO_{2.95}$
- Particle size 5-20 μm (FSSS)

Customization

GTP can customize the oxides to specific applications. Customer specifications can be developed after technical discussions at time of inquiry.

Ordering

Specify blue or yellow oxide, oxygen level and particle size.

Certification

Each shipment of powder is accompanied by a standard report, which includes FSSS average particle size, Scott density, and purity level. SEM's are provided on an as requested basis.

Packaging

Available in uniform blends of up to 9,000 kgs. Each lot is packaged in leverpack drums of about 160 kgs per drum. Other packaging includes supersacks of about 1,500 kgs per sack.



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History of Global Tungsten & Powders:

For over 60 years, GTP in Towanda has been producing tungsten, molybdenum, cobalt, and tantalum powder products. GTP produces a wide range of materials, which are used in the manufacture of numerous products. These products include metal working tools for cutting, rolling, and stamping; high temperature jet engine components and protective coatings; circuit manufacturing chemicals for microelectronics; catalysts for petrochemical processing.