

MEMORANDUM

July 21, 2006

To: Senate Committee on Finance

From: Steven R. Valentine
Preston Gates Ellis & Rouvelas Meeds LLP
Counsel to Rhodia Inc.

Re: Comments on S. 2804, to Suspend Temporarily Duties on Polysiloxane

Rhodia Inc. welcomes this opportunity to comment on Senator DeMint's bill, S. 2804, to suspend temporarily the duty on polysiloxane. The bill was introduced at the request of Rhodia Inc., the U.S. operations of which are based in Cranbury, New Jersey.

The silicone fluid products that are covered by S. 2804 are generally used as either product additives or process aids in a wide variety of formulated products. These include automotive and furniture polishes, lubricants and greases for industrial and automotive purposes, and use in personal hair care and skin care applications. These silicone fluid products are imported from Germany, Japan, France, India, Korea and China.

S. 2804 represents a renewal of an existing duty suspension that expires at the end of this year. The current suspension resulted from a bill (S. 2342) that was introduced in the 107th Congress to cover polydimethylsiloxane at the request of Bayer. The CAS number and description provided by Bayer for S. 2342 (107th Congress) are the same as that which was provided by Rhodia to Senator DeMint with respect to S. 2804. "Polysiloxane," as used in S. 2804, and "polydimethylsiloxane," as used in the bill from the 107th Congress, are synonyms.

Rhodia Inc. strongly supports S. 2804 and urges its incorporation in the miscellaneous tariffs legislation that is being prepared by the Committee.

July 14, 2006

Senate Finance Committee
Attn: MTB
219 Dirksen Senate Office Building
Washington, DC 20510

Re: Comments on S. 2804, duty suspension
on polysiloxanes

To whom it may concern:

Dow Corning Corporation, headquartered in Midland, Michigan, opposes S.B. 2084 which extends the duty suspension on polysiloxanes. Dow Corning was established in 1943 to explore the potential of silicones. We now offer more than 7,000 silicon based products.

Dow Corning operates world-scale manufacturing facilities in Carrollton, KY and Midland, MI to manufacture polydimethyl siloxanes (or polysiloxanes for short). We consider polysiloxanes to be fundamental building blocks upon which many other materials are based. Dow Corning uses polysiloxanes internally to make a variety of silicone materials including gels, elastomers and resins. We also sell polysiloxanes externally for use in many industries. General Electric, headquartered in New York, is also a major U.S. producer of polysiloxanes.

Although Dow Corning also imports polysiloxanes, we do not believe that suspension of duties is in the best interested of U.S. based companies, U.S. investments, or U.S. jobs.

We ask you to oppose S. B. 2804.

Sincerely,

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