



MITSUBISHI GAS CHEMICAL AMERICA, INC.

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June 3, 2002

The Honorable Phillip Crane
Chairman
Subcommittee on Trade
Committee on Ways and Means
U.S. House of Representatives
Washington DC, 20515

Dear Mr. Chairman:

This letter is in response to your recent announcement requesting written comments for the record from all parties interested in technical corrections to U.S. trade laws and miscellaneous duty suspension proposals in the 107th Congress.

Mitsubishi Gas Chemical-America ("MGC-A") writes to express support for H.R. 4144, a bill introduced by the Honorable J.D. Hayworth, and for S. 2180, companion legislation introduced in the Senate by the Honorable Jon Kyl. H.R. 4144, if enacted, would provide for a five-year, temporary suspension of U.S. duties on an MGC-A import called Nylon MXD6.

Nylon MXD6 is a polyamide, classified under Chapter 39 of the Harmonized Tariff Schedule of the United States (subheading 3908.10.00, HTSUS). It is a tough, excellent gas barrier resin used by several domestic companies throughout the United States to make packaging for foods and other products. There are currently no domestic producers of Nylon MXD6, and the duties paid have historically been at or under \$500,000 per year.

Such a duty suspension would be beneficial for MGC-A, but equally important are the anticipated benefits to the US economy. First, the duty suspension would encourage increased supply and availability of the resin, which is beneficial to domestic consumers.

A second benefit is the creation of new U.S. jobs. MGC-A is planning to relocate production of Nylon MXD6 here in the U.S. The duty suspension would cut costs, allowing MGC-A to reallocate resources, where necessary, to make the transition. Domestic production of the resin, in turn, would create new jobs and help bolster U.S. economic vitality. MGC-A estimates the facility would employ 30 people initially. Current plans call for the new plant to be "on line" before the duty suspension would expire, at the end of 2007.

A third benefit is increased, long-term U.S. revenue. The revenue that local, state, and the federal governments would collect from a permanently established, domestic production facility would likely far outweigh the *de minimis* revenue collected under the current duties.



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Given these various benefits and the non-controversial nature of the bill, MGC-A respectfully urges the Subcommittee, and the full Ways and Means Committee, to report H.R. 4144 or the provisions thereof for consideration by the full House in the 107th Congress.

Thank you for your attention and consideration regarding this most important matter.

Sincerely,


Mike Sonoda
Manager, Marketing & Sales

cc: The Honorable Sander Levin
The Honorable J.D. Hayworth
The United States International Trade Commission