

Statement of Honeywell International Inc.

**on
H.R. 4147**

**A Bill to Suspend Temporarily the U.S. Duty on
Potassium Fluoride Purified Grade**

**As Provided for in 2826.19.0010
of the
Harmonized Tariff Schedule of the United States**

**before the
Committee on Ways and Means
U.S. House of Representatives**

June 7, 2002

Honeywell International Inc. (Honeywell) appreciates the opportunity to comment on H.R. 4147, introduced by Representative J.D. Hayworth of Arizona. This measure provides for the temporary suspension of the U.S. import duty on potassium fluoride purified grade, classified under 2826.19.0010 of the Harmonized Tariff Schedule of the United States (HTSUS).

Granting a suspension of the duty on the product subject to this legislation is justified and appropriate. To our knowledge there is no U.S. commercial production of the exact product in question. For this reason passage of H.R. 4147, while having a positive impact on the competitiveness of Honeywell and its U.S. customers, would not have a detrimental effect on a U.S. industry.

Description of Honeywell

Honeywell is a US\$24-billion diversified technology and manufacturing leader, serving customers worldwide with aerospace products and services; control technologies for buildings, homes and industry; automotive products; specialty chemicals; fibers; plastics; and electronic and advanced materials. Honeywell employs approximately 115,000 people in 95 countries and is traded on the New York Stock Exchange under the symbol HON, as well as on the London, Chicago and Pacific stock exchanges. It is one of the 30 stocks that make up the Dow Jones Industrial Average and is also a component of the Standard & Poor's 500 Index. Additional information on the company is available on the Internet at www.honeywell.com.

Description of the Product and Its Uses

Potassium fluoride purified grade is used in reaction with an appropriate chlorine derivative to effect the incorporation of fluorine into organic compounds (halogen-exchange). It is basically a fluorinating agent. Potassium fluoride purified grade is also used to a lesser extent in the form of an aqueous solution in metal treatment, especially steel, aluminum, magnesium or their alloys. Potassium fluoride purified grade is a spray-dried powder grade material and distinguishes itself in morphology and purity from the crystalline tantalum grade.

Suspending the Duty on the Subject Chemical is Warranted

There is no known US manufacture of the potassium fluoride purified grade subject to this legislation.

Honeywell is aware, and JT Baker Inc.'s (Baker) website attests, that Baker does produce another type of potassium fluoride compound in the United States. This material is referred to in the *Product Catalog and Information* section of that firm's website as "Potassium Fluoride, Anhydrous BAKER ANALYZED ACS Reagent" (a.k.a., "reagent grade").

Honeywell's understanding, based on our awareness of the markets for various grades of potassium fluoride, is that this material is sold domestically for analytical laboratory requirements. The extremely high unit prices displayed on Baker's website in conjunction with its reagent grade material support the notion that this material is being offered and sold in very small quantities for such analytical laboratory end uses. Because Honeywell's purified grade material is not as chemically pure as the Baker reagent grade product, Honeywell's product is not a viable competitor to Baker's reagent material.

Lastly, based on import projections for this product for the period covered by H.R. 4147, this legislation also complies with the Committee's "no-cost" requirement.

Summary

To Honeywell's knowledge there is no U.S. commercial production of the exact product in question. This legislation also meets the Committee's "no cost" criterion. For these reasons passage of H.R. 4147, while having a positive impact on the competitiveness of Honeywell and its U.S. customers, would not have a detrimental effect on a U.S. industry. Granting a suspension of the duty on the product subject to this legislation is justified and appropriate.