Senate Finance Committee
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

Attention MTB:

Opposition to S. 1705

To Whom It May Concern:

I am writing on behalf of Hexcel Corporation ("Hexcel") in strong opposition to S. 1705, a bill that would temporarily suspend the duty on imports of certain acrylic fiber tow containing at least 92% acrylonitrile fiber. This product is also referred to as PolyAcryloNitrile (PAN) fiber and is listed as such in the descriptive section of S. 1705.

Hexcel manufactures PAN fiber at our Decatur, Alabama facility where we employ approximately 112 workers. Our total investment to date in the Decatur facility exceeds $265 million. The polyacrylonitrile fiber produced in Alabama is then shipped to our Salt Lake City, Utah facility where it is converted into carbon fiber products. Hexcel employs an additional 500 workers at our Salt Lake City operation.

We believe that the approval of this bill will severely impact our domestic production capabilities and our U.S. workforce. The decision to produce polyacrylonitrile fiber domestically as opposed to off-shore production was a function of a number of factors, not the least of which is the existence of an import tariff on the product. The special tariff preference provided by this bill will undermine Hexcel's decision to manufacture polyacrylonitrile fiber domestically and as a result place in jeopardy the more than 600 employees involved in the production our PAN and related fibers.

The elimination of duties will also discourage future investments in PAN technology in the US, which is contrary to the on-going discussions with DoD/DTSA which relates to the critical infrastructure issues associated with US PAN fiber capabilities. Ultimately, the elimination of duties will continue to erode the market pricing of PAN based carbon fibers and potentially drive US domestic PAN precursor production to lower cost off-shore locations.

For all these reasons, we strongly oppose S. 1705 and request that it be excluded from inclusion of any miscellaneous tariff package or other trade bill considered by the United States Senate. Thank you for your attention to our concerns and if you have any questions, please feel free to contact Hugh McGillicuddy in our Washington DC office at 703-963-1438 or via email at hugh@mcgillicuddyassociates.com.

Sincerely,

Brett Schneider
Salt Lake Site Manager
Hexcel Corporation

Hexcel Corporation
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