

Chairman Baucus
Senate Finance Committee

Dear Chairman Baucus,

It has come to my attention that Senate Bill S 1827 includes a proposal to suspend tariffs on certain "poly resin magnets". I would like to express my concerns over this measure.

First, a little history about Magnum Magnetics, which the Committee and those proposing this bill are likely unaware of. Magnum Magnetics was recently successful in prosecuting a dumping case against flexible magnet imports from China and Taiwan. Our market was being severely damaged by low priced imports. Hundreds of jobs in multiple states hung in the balance of our dumping case. We had the support of suppliers, including associates in the steel industry (as byproduct from steel mills is a key ingredient for making magnets), as well as a number of customers.

Our company was started on a corner of our family farm. With much risk, a lot of hard work and a little good luck, we were able to grow into the largest producer of flexible magnets in the world. However, we nearly lost it all to unfair competition from abroad. At greatly burdensome expense and a tremendous drain of additional resources, we fought our dumping case to insure the future of our business, our employees and our loyal customers. We could have moved off shore instead, but we chose to make a stand for jobs in the US and what we felt was right....and we won.

It is very disturbing to learn that a proposal is being considered that would suspend duties on certain types of magnets, namely "poly resin magnets". Multiple things are troubling about the proposal. First, "poly resin magnet" also describes flexible magnets, as poly resins can be used in the production of flexible magnets. Second, the product this bill is targeting directly competes with our main market and our customer's main market or decorated magnets. Third, most any magnet can be a substitute for any other magnet, and consequently will compete against other magnet types. And finally, there is absolutely no need for the existing duties to be suspended.

We feel this bill is very damaging to us and our customers, and frankly do not understand the basis for which this proposal was made. We stand firmly opposed to any such action being taken in favor of any foreign magnets.

I appreciate you giving me the opportunity to express our viewpoint and I sincerely hope that this measure will be abandoned. I hope you and the Committee can appreciate the struggles of a home grown business that has done all it can to remain in this country. We now need you to help us remain here.

Sincerely,

Tom Love

CFO/Owner
Magnum Magnetics