November 25, 2009

The Honorable Max Baucus
The Honorable Charles Grassley
Committee on Finance
219 Dirksen Senate Office Building
United States Senate
Washington, DC, 20510
Attention: MTB

SUBJECT: GLOBAL TUNGSTEN & POWDERS CORP. OBJECTS TO S.1898 WHICH WOULD CONTINUE THE DUTY SUSPENSION ON YTTRIUM OXIDE PHOSPHORS

Dear Senator Baucus and Senator Grassley,

We are writing to you to bring the following urgent issue to your attention.

Global Tungsten & Powders Corp. (GTP) a Delaware Corporation located in Towanda, Pennsylvania, is a domestic producer and a world leader in rare earth phosphor development. We have been manufacturing yttrium oxide phosphors along with other phosphor products used in energy-efficient lighting and display applications at our facility more than 70 years. GTP has been a consistent employer for the community and currently employs nearly 1,000 persons of which 140 are in phosphor manufacturing. GTP can satisfy the U.S. demand for yttrium oxide phosphors.

China controls the supply of the majority of all rare earths and more than 90% of the current global processing of these rare earths. China has implemented quota limitations and excessive export duties on the rare earth components required to manufacture phosphors making it difficult for GTP to be globally cost competitive in this industry.

Our company faces competition in the U.S. market from phosphor imports, which have been entering the United States duty free under the current temporary duty suspension. Other countries where phosphor production takes place have imposed import duties at the following rates: European Union at 5.3%, Japan at 3.3%, and China at 5% + 17% VAT.

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At present the United States allows duty-free imports of yttrium oxide phosphors amounting to 6.5% classified as 3206.50.00, exception 9902.22.69 of the Harmonized Tariff Schedule. GTP objects to any continuation of the duty suspension of this phosphor. Because phosphor production is a vital component of our business, GTP is requesting the 6.5% duty be reinstated on these phosphors beginning January 1st, 2010.

We thank-you for the opportunity to comment during this period and respectfully urge you to object to the duty suspension of this bill.

Sincerely,

Robert J. Fillnow

Robert J. Fillnow
President - CEO