



Specialty Chemicals

Hexion Specialty Chemicals, Inc.

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Brent E. Kinnan
Associate General Counsel

December 4, 2009

The Honorable Max Baucus
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

ATTN: MTB

Dear Chairman Baucus:

I am writing in opposition to S.1958, a bill introduced by Senator Bob Casey to suspend the duty on "medium molecular weight solid epoxy resin" (HTS 3907.30.00; CAS Number 25085-99-8).

Hexion Specialty Chemicals produces solid epoxy resin at a facility in Deer Park, Texas, near Houston. In particular, we produce epoxy resin classifiable under CAS Number 25085-99-8 at our Deer Park facility, the same product covered by S.1958. Solid epoxy resin is a commodity product, made in the United States by Hexion and several other chemical manufacturers. U.S. companies have an estimated 150 million pounds of annual domestic epoxy resin production capacity, of which only approximately 65% is currently utilized. Solid epoxy resin is widely available for sale by domestic producers on the domestic market.

Miscellaneous tariff bills (MTBs) should be non-controversial. As Hexion strives to maintain production capacity in the United States, we would strenuously object to S.1958. S.1958 is simply an attempt by a consumer of solid epoxy resin to lower the cost of foreign imports -- foreign imports that directly compete with the output of our Deer Park facility. S.1958 has no place in a non-controversial miscellaneous tariff bill.

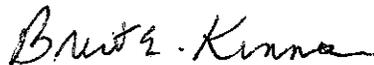
It is also Hexion's understanding that, in order for a duty suspension bill to be considered for inclusion in a MTB, the bill must result in annual revenue loss of less

than \$500,000. Based on tariff and trade data from the U.S. Department of Commerce and the International Trade Commission, we estimate that the calculated duties paid in 2008 on imports classified under HTS 3907.30.00 were in excess of \$14 million. Hexion would question, therefore, whether the annual revenue loss that would result from passage of S.1958 is less than the \$500,000 threshold for inclusion in a MTB package.

Should you have any questions or comments, please do not hesitate to contact our counsel, David M. Spooner. Mr. Spooner can be reached at Squire, Sanders & Dempsey, 1201 Pennsylvania Avenue, N.W., Suite 500, Washington, D.C., 20004, (202) 626-6612, (202) 626-6780 (fax), dspooneer@ssd.com

Thank you for your time and attention to this matter.

Sincerely,



Brent E. Kinnan

BEK/ss