

December 4, 2009

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

The Honorable Charles Grassley
U.S. Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, D.C. 20510

RE: S. 2402 – Legislation Extending the Existing Duty Suspension on Viscose Rayon Staple Fibers Described by U.S. Harmonized Tariff Schedule heading 9902.23.33

Dear Chairman Baucus and Ranking Minority Member Grassley:

On behalf of Kimberly-Clark Corporation, I am writing to express strong support for duty suspension legislation for rayon fiber introduced by Senator Kay Hagan on October 29, 2009. Specifically, that legislation – S. 2402 – extends the existing duty suspension on viscose rayon staple fibers described by U.S. Harmonized Tariff Schedule heading 9902.23.33 (“*staple fibers of viscose rayon, not carded, combed, or otherwise processed for spinning*”). A companion bill – H.R. 5096 – has been introduced in the U.S. House of Representatives.

Kimberly-Clark Corporation (“K-C”) is a leading global health and hygiene company with about 15,000 full- and part-time US employees in addition to those overseas. K-C has manufacturing facilities in 17 states, as well as in many foreign countries and sells its products in more than 150 countries.

K-C manufactures a range of products for the consumer market. Along with tissue products, disposable diapers, and incontinence products, K-C manufactures a full line of feminine care products, including pads, pantliners and tampons. The tampons are sold under the KOTEX® SECURITY® brand name. They are manufactured in Conway, Arkansas and use rayon as one essential raw material in their production. This rayon is purchased from a supplier in Germany. K-C purchases more than one million pounds annually, at a cost of about \$2 million per year.

Rayon fiber of this type is no longer produced in North America and the only suppliers currently deemed acceptable to meet the FDA regulations for these health critical applications are in the EU.

Because rayon fibers are unlikely to be produced in the United States in the foreseeable future, an extension of the current duty suspension on these fibers is justified and would continue to improve the international competitiveness of the various firms that rely on these fibers including Kimberly-Clark. Because all U.S. production of rayon fiber has ceased, continued suspension of this duty should have no adverse consequences for domestic firms or workers and should attract no controversy.

We understand that Congress has provided the duty suspension process to address situations such as this, and we strongly encourage a favorable report by the Committee on this bill.

Please do not hesitate to contact me if you have any questions or need additional information on this request.

Thank you for your consideration of this request.

Sincerely,

Fred W. Shaffer
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