



JEFF ETTIN
Global Vice President – Electronics

July 14, 2006

SUBJECT: MTB -- S. 3362

The Honorable Charles Grassley
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC, 20510

Dear Senator Grassley:

I am writing to express strong objection to S. 3362, a bill to exempt certain mesh fiberglass fabrics from quota under the existing U.S./China textile bilateral agreement. This legislation is included on the list of items being considered for inclusion in the Senate Miscellaneous Tariff Bill.

Hexcel is a U.S. producer of various types of fiberglass fabrics. We employ 672 workers at our three fabric weaving facilities, located in South Carolina, North Carolina and Texas. Unfortunately, our employment levels have decreased significantly in recent years as a result of a substantial surge of imports from low cost producers that often benefit from state sponsored subsidies. Chinese producers, which enjoy significant advantages such as a purposely undervalued currency, have been a key driver behind the import surge. China is now the single largest exporter of fiberglass fabric to the U.S. and their exports to our market have increased by over 47% during the past twelve months.

Due to China's proven capability to impact the U.S. market, it would be a serious mistake to drop various fiberglass fabrics from the current U.S./China textile bilateral agreement. In addition, the removal of these products from quota would set a dangerous precedent that could render the existing textile bilateral agreement with China useless.

For these various reasons, I strongly encourage you to preclude S. 3362 from inclusion in the Miscellaneous Tariff Bill and any other legislative vehicle so as to ensure that this bill is not adopted by Congress. Please feel free request further information if you have any questions regarding this matter.

Sincerely,

Jeff Ettin