

DuPont Legal  
Barley Mill Plaza 25-2262  
Wilmington, DE 19805  
(302) 992-2263

August 15, 2006

**CONFIDENTIAL INFORMATION DELETED**  
**PUBLIC INFORMATION VERSION**

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

Re: **Miscellaneous Trade and Tariff Legislation**

Dear Chairman Grassley:

I am writing on behalf of E. I. du Pont de Nemours and Company ("DuPont") in regard to legislation pending before the 109<sup>th</sup> Congress which, if enacted, would provide for the temporary suspension of duties for certain products. DuPont is opposed to a specific bill, S. 3361, to suspend temporarily the duty on titanium dioxide anatase. Introduced June 5, 2006 by Senator Frist, the bill seeks to amend Subchapter II of Chapter 99 of the Harmonized Tariff Schedule of the United States by inserting a new heading, 9902.28.23, for titanium dioxide anatase provided for in subheading 2823.00.00, as duty free through December 31, 2009.

In January of this year, DuPont filed an objection to a similar bill, S 951, which seeks a suspension on the same product and which is provided for in subheading 3206.11.00. DuPont maintains that neither bill should be advanced as, if enacted, both would have a negative impact on the domestic titanium dioxide industry.

DuPont is a science company committed to creating sustainable solutions essential to a better, safer, healthier life for people everywhere. We offer a wide range of innovative products and services for markets including agriculture and nutrition, electronics, communication; safety and protection; home and construction; transportation and apparel.

As the world's largest producer of titanium dioxide ("TiO<sub>2</sub>"), DuPont has been making titanium-based white pigments for paper, coatings, plastics and specialty applications since 1931. Today, the company's United States' manufacturing sites in

Starke, Florida; EdgeMoor, Delaware; New Johnsonville, Tennessee; DeLisle, Mississippi and corporate offices in Wilmington, Delaware employ over { } DuPont employees and { } resident contract employees.

In addition to producing TiO<sub>2</sub> to meet the needs of today's consumer, DuPont remains committed to new product development. DuPont has over { } dedicated employees engaged in research and development whom are actively pursuing increased product improvements and end use applications.

At present, there is sufficient capacity within the United States of TiO<sub>2</sub> to meet customers and end-user needs. In addition to DuPont, Liondell (formerly Millenium) and Tronax (formerly Kerr McGee) produce TiO<sub>2</sub> domestically. With the advent of significant investment in and production of TiO<sub>2</sub> in China, increased worldwide capacity will result in increasing price pressure on TiO<sub>2</sub>. Accordingly, DuPont believes the duty suspension request outlined in S. 3361, if enacted, could lead to price erosion at the expense of domestic manufacturing operations. Imports from low priced foreign producers could result in price suppression and erode average U.S. selling prices. These lower prices would make it increasingly difficult for domestic producers, like DuPont, to continue to sustain and support future investment and growth opportunities in the United States. Ultimately, decreased domestic employment could result, jeopardizing not only DuPont and resident contract employees, but the economic viability of the communities in which we operate.

While Invista, the Bill's proponent, has indicated through its consultant it would seek to alleviate DuPont's concerns by seeking a new CAS number for anatase, said process is yet to commence and DuPont is unwilling to jeopardize the health of its domestic operations at this critical juncture in the duty suspension vetting process. We remain willing to provide any additional information you may need in support of our opposition to S. 3361 and our earlier objection to S. 951, and are most appreciative for the opportunity to express our views.

Very truly yours,

Elaine M. Olsen

\* Business proprietary information is bracketed

cc: Mr. Larry Johnson  
Inorganic Chemical Specialist  
U.S. International Trade Commission  
500 E Street, S.W.  
Room 513-D  
Washington, D.C. 20515

