

John L. Deming, Ph.D.  
Vice President, Government Relations



The Honorable Chuck Grassley, Chair  
Committee on Finance  
United States Senate  
219 Dirksen Senate Office Building  
Washington, DC 20510-6200

Re: S. 2809

Dear Chairman Grassley:

Ciba Specialty Chemicals Corporation is writing to express our objection to S. 2809, which seeks to suspend the duty on imports of the chemical commonly known as DAS [4,4'-diaminostilbene-2,2'-disulfonic acid], CAS No. 81-11-8. The virtual sole use of DAS is as the key material to make stilbenic fluorescent whitening agents ("stilbenic whiteners"), for use in detergents, textiles and paper. DAS based stilbenic whiteners make these products brighter or whiter.

Ciba is a global producer of specialty chemicals, with production and distribution facilities throughout the US. We manufacture DAS at our McIntosh Alabama facility, and have been doing so for more than 30 years. We have made significant investments over the years in this processing area of the McIntosh plant and have continued to employ a strong workforce. Indeed, Ciba remains *the lone US producer* of DAS, and the only producer in the US of stilbenic whiteners using US made DAS. Any other facility in the US to process stilbenic whiteners does so using imported DAS.

Our domestically manufactured DAS and the stilbenic whiteners produced from it, face increasingly debilitating competition from China, India, and Europe. In recent years there has been significant price erosion from what we believe are unfairly low priced foreign imports. The consequential financial impact to Ciba's DAS and stilbenic whiteners business has been great. The conditions became so severe that it forced Ciba to try to seek relief by petitioning for antidumping and countervailing duties.<sup>1</sup> Should the duty be suspended on DAS, this would further deteriorate the competitiveness of the sole remaining domestic DAS production at our McIntosh, Alabama site. The duty suspension would cause even greater price deflation than we have seen in the past few years, which will result in serious financial harm to this US business. Ciba strives to maintain the existence of this business in the US including the many US chemical operators who comprise the workforce at our facility here. Therefore, in the interest of promoting this US business and the protection of US jobs, we urge the Congress to withdraw this bill.

Respectfully submitted,

John Deming  
Head - Federal Government Relations  
and Trade Association Relations

cc: International Trade Commission

<sup>1</sup> Refer to Certain 4,4'-Diamino-2,2'-Stilbenedisulfonic Acid Chemistry From China, Germany and India, Investigations No. 701-TA-435 and 731-1036-1038, Publication 3608 [July 2003]. While the case did not proceed on technical grounds, there is documentation as to the financial condition of our DAS/stilbenic whiteners business.