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June 5, 2002

The Honorable William Thomas  
Chairman, Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, D.C. 20515

Dear Representative Thomas:

On behalf of Techneglas, Inc. I hereby submit the following comments on H.R. 4442, "Necks Used in Cathode Ray Tubes," a bill to suspend temporarily the duty on this imported product, pursuant to the notice issued by the Committee.

I hope the Committee will find these comments useful when making its determination. Please feel free to call me should you have any questions.

Sincerely yours,

Leslie Alan Glick  
Counsel for Proponent  
Techneglas, Inc.

Enclosure

## **I. Introduction**

These comments are submitted on behalf of Techneglas, Inc. in relation to H.R. 4442, a bill which proposes reducing tariff duties on a certain imported product, "Necks Used in Cathode Ray Tubes". These comments which are based on information Techneglas has provided us will describe the product in detail, including the specific item covered, its uses, and current/projected value data. These comments will also describe countries from which the item is imported and the product's destination(s) within the United States.

## **II. H.R. 4442 Necks Used in Cathody Ray Tubes**

H.R. 4442 covers certain "necks" used in cathode ray tubes (CRTs). The neck is a critical point in breakage during shipping and Techneglas has experienced problems with this when shipping to Sony on the West Coast. To remedy this, Techneglas opened up a neck-sealing operation on the West Coast so that it could ship the funnels and necks separately before distributing them to the customer. The neck-sealing operation was sold to Sony, so once Corning discontinues manufacturing necks, Sony will also have to purchase the necks offshore. Although the neck must be attached to the funnel before the CRT is manufactured, it is considered a separate entity. Some funnels are sold "necked", others "neckless." The funnel manufacturing process produces a "nubbin" due to the shape of the mold that must be removed in order to create an opening at the small end of the funnel on which to seal the neck.

Malaysia is the primary source of imported necks for Techneglas, although Thailand, Japan, and Germany also have CRT neck manufacturers. The ultimate destination of the necks varies depending on whether they are being used in Techneglas' manufacturing or for sale to customers. The destinations include (but are not limited to) Columbus, OH, Troy, OH, Corning, NY, Horseheads NY, San Diego, CA, and Mt. Pleasant, PA. There are several other participants involved in importing necks, including Corning, Sony, Toshiba, and Matsushita.

None of Techneglas' three facilities manufacture CRTs. The plant in Columbus, OH manufactures funnels, the Pittston, PA plant manufacturers panels, and the Perrysburg, OH plant manufactures solder glass. All three products are then sold to CRT manufacturers.

The estimated volume of imports is approximately 2.5 million necks per year. Techneglas estimates that if this legislation is passed, the value of imports over the next five years would be approximately \$8,000,000.

## **III. Statement of Purpose**

The sole U.S. producer of this product, Corning Ashai Video in Corning, New York, from which Techneglas has purchased in the past, has notified Techneglas that it is discontinuing production of this product. Therefore there will be no domestic source available to Techneglas. Thus this bill would not adversely impact any U.S. producer while at the same time it would help

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Techneglas lower its costs and remain more competitive. Since this legislation would benefit Techneglas and its workers and not adversely affect any U.S. producer, we hope the Committee will recommend passage and favorably report this bill.