



Senator Chuck Grassley
Chairman
Committee on Senate Finance
U.S. Senate
219 Dirksen Senate Office Building
Washington, D.C. 20510-6200

Attn: Claudia Bridgeford

Lonza Inc
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Re: S.2543

Dear Chairman Grassley:

I am writing this letter on behalf of Lonza and to follow up on a letter we filed earlier this week in opposition to S.3168. S.3168 proposes suspension of the import duty on 1, 3-Dibromo-5, 5-Dimethylhydantoin, more commonly known as "DBDMH". After filing our earlier letter, we noticed that S.2543 also proposes duty free treatment for "1,3-Dibromo-5-Dimethyl-Hydantoin." Despite slightly different notations, it appears these two bills cover the same product. S.2543 was introduced by Senator Jim Talent.

To avoid any confusion, we are filing this follow up letter to clarify for the Committee that Lonza opposes S.2543 as well as S.3168, and any proposal that would remove the necessary import duty on DBDMH. We apologize for submitting this letter after the Committee's August 15 due date for comments, but we only just noticed that two separate bills appear to cover the same product. We ask that the Committee accept these comments in connection with S.2543. We greatly appreciate the Committee's understanding.

Lonza is a life sciences driven, chemical and biotechnology company and leading custom manufacturer of high-value added chemicals, problem-solving solutions and services for a wide range of industries, including polymers, human and animal nutrition, and water treatment.

As noted above, S.2543 would suspend the duty on DBDMH. Currently, the duty rate for imports of DBDMH required by U.S. law is 6.5% of the value of the shipment. Lonza produces seven products in the United States that compete directly with DBDMH and would suffer serious adverse effects by lifting the tariff. The products are: Dantobrom RW, Dantobrom P, Dantobrom S, BromChlor G, Glybrom RW, Dantoin BCDMH RW Tablets, and Dantoin BCDMH RW Tablets II. These products are bactericides, fungicides, and algicides used to sanitize and cleanse recreational water, pools and spas, as well as cooling water used in industrial facilities. These products are integral to maintaining health and safety standards in both pools and spas for recreational use as well as cooling water essential to the safe and efficient operation of industrial facilities.

For over 30 years, Lonza has manufactured products at its facility in Williamsport, Pennsylvania, a small community of about 30,000 citizens. Lonza's manufacturing facility in Williamsport is a crucial part of the local economy and employs approximately 160 persons. A substantial proportion of the facility's output and operating profit is derived from the production of the seven products mentioned above.

Removing the 6.5% tariff would make it easier to import DBDMH and increase its already demonstrated ability to compete with the products made at the Williamsport facility. Purchasing decisions on these types of chemical products are often made on a pennies per pound basis. Thus, removing the 6.5% tariff would significantly alter the economic playing field and would constitute a serious blow to the Williamsport facility as well as the surrounding community.

It is important to note that it is not only Lonza's production facility and employees that would suffer economic harm from the proposal to eliminate this tariff. If Lonza's sales are further impacted by import competition, U.S. producers of the raw materials purchased by Lonza will also face a decrease in demand, thereby affecting those companies and the communities surrounding their facilities.

In sum, passage of S.2543 would have a significant impact on the marketability of the Lonza products mentioned above. This in turn would result in serious economic harm to Lonza's employees at its Williamsport production facility and the employees at facilities producing the raw materials purchased by Lonza. For these reasons, Lonza requests that S.3168 be excluded from any legislative package that the Senate Finance Committee may consider.

I thank you very much for this opportunity to submit Lonza's views and look forward to working with the Committee. If the Committee's staff or members have any questions regarding the legislation, please feel free to contact me at 201-316-9364.

Sincerely,
Lonza Inc.

/s/ Joseph R. Robinson

Joseph R. Robinson