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August 8, 2006

Senate Finance Committee; Attention "MTB". 219 Dirksen Senate Office Building Washington, DC, 20510

Re: Opposition to S. 2189 – Temporary suspension of duties on Fungicides containing zinc dimethyldithiocarbamate

Dear Mr. Chairman:

I am writing to express the strong opposition of R.T. Vanderbilt Company, Inc. (Vanderbilt) to Senate Bill S. 2189 IS, the duty suspension bill now pending before your subcommittee that would temporarily suspend the current import duty on fungicides containing zinc dimethyldithiocarbamate. Vanderbilt produces a pesticide product that contains zinc dimethyldithiocarbamate in its chemical plant in Murray, Kentucky. This product claims as one of its applications the "inhibition of fungus and mildew" (thus, fungicide) in industrial coatings.

In the United States, pesticide products, including fungicides, must be registered according to Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. s/s 136 et seq. (1996)). This includes pesticide products and their active ingredients manufactured within the United States and those imported for application within the United States.

A pesticide registration must provide the application of use; the directions for same; and the "pests" that are targeted. Pests may include such things as vermin, unwanted plant life (i.e., weeds), insects, bacteria, viruses, fungus and barnacles, to name but a few examples. In support of a registration, the registrant must gather chemical, toxicological and environmental data as instructed by the United States Environmental Protection Agency (USEPA), the federal agency charged with the implementation of FIFRA.

In the United States, fungicide products containing zinc dimethyldithiocarbamate have registered uses for agricultural and industrial applications. Vanderbilt maintains the only fungicide product registration for <u>industrial</u> uses in the US (VANCIDE[®] MZ-96, USEPA Registration Number 1965-79). While there are many competitive products and active ingredients for these same industrial market applications, only the Vanderbilt product contains zinc dimethyldithiocarbamate.

The lifting of tariffs on fungicide products containing zinc dimethyldithiocarbamate would allow foreign producers to bring their products into the US and compete with Vanderbilt in the industrial markets. While the same USEPA registration requirements would apply to foreign producers as required of Vanderbilt, removing import tariffs allows the introduction of





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products to the detriment of American workers. This creates a disadvantage to Vanderbilt, the sole producer of an industrial fungicide containing zinc dimethyldithiocarbamate within the US.

VANCIDE MZ-96 is critically important to Vanderbilt's Murray, Kentucky facility, where about 110 people are employed. Although Vanderbilt produces several other products at that plant, VANCIDE MZ-96 is a most important one in terms of investment, revenue stream, profitability, and employment. Thus, if the duty suspension bill is enacted into law, it could jeopardize the economics of the entire plant.

Being a US manufacturer Vanderbilt also must comply with laws which are not often required of chemical producers in other countries. These include Occupational, Safety and Health Administration (OSHA) law and other environmental laws such as the Clean Water and Clean Air Acts. Compliance with these laws adds additional cost to the production of a product.

A tariff is for the purpose of making these differences between US and foreign producers equal. Senate Bill S. 2189 IS, seeks to remove the tariff for fungicide products containing zinc dimethyldithiocarbamate. This impacts Vanderbilt directly and alone, as competitive fungicide products not containing zinc dimethyldithiocarbamate are not impacted.

For all of these reasons, on behalf of Vanderbilt, I respectfully request that S. 2189 IS be removed from the Senate Bill

Sincerely,

Roger K. Price

Roger Price President and Chief Operating Officer R.T. Vanderbilt Company, Inc.