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July 13, 2006

The Honorable Charles Grassley
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Max Baucus
Committee on Finance
United States Senate
Washington, DC 20510

RE: S. 3323

Dear Chairman Grassley and Ranking Member Baucus,

I am writing to express our company's opposition to the enactment of legislation (S. 3323) to provide duty free treatment for alginates. Legislation to temporarily suspend the duty on imports of Propylene Glycol Alginates (alginates) was introduced by Senator Robert Menendez on May 26, 2006.

FMC Corporation, headquartered in Philadelphia, Pennsylvania, is a global leader in agricultural, specialty, and industrial chemicals. The company is a manufacturer of insecticides, termiticides, lithium, active oxidants, carrageenan, microcrystalline cellulose, alkali chemicals, soda ash, hydrogen peroxide, and alginates.

FMC BioPolymer is among the world's largest alginate manufacturers. FMC BioPolymer manufactures more than 200 grades of alginates, including alginic acid, sodium alginate, potassium alginate, ammonium alginate, magnesium alginate, calcium alginate, and sodium triethanolamine alginate. Alginate is one of the most versatile biopolymers and is used in a wide range of food, pharmaceutical and specialty applications for thickening, stabilizing, gelling, and film forming.

FMC Corporation's U.S. alginate business would be adversely affected by the elimination of the duty on alginates (HTS subheading 3913.10.00) and, therefore, requests that this provision not be included in the miscellaneous tariff package currently being assembled by the Senate Finance Committee.

An additional concern relates to the import value calculations associated with the bill. According to U.S. International Trade Commission data, dutiable imports entering under HTS subheading 3913.10.00 in 2005 equaled $31,884,400. At a duty rate of 4.2%, this means that over $1.3 million in customs revenue would be lost annually if this provision were to be enacted. This clearly violates another of the Finance Committee's criteria for these bills, namely that revenue loss be capped at $500,000 per year.

Finally, FMC would like to reiterate its opposition to similar legislation (S. 2965) introduced by Senator Rick Santorum on May 23, 2006.

Thank you for your consideration. Please do not hesitate to contact me should you have questions or require additional information on this matter.

Sincerely,

Jerry Prout

Cc: U.S. International Trade Commission
U.S. Department of Commerce