

TRONOX

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December 4, 2009

The Honorable Max Baucus, Chairman
U.S. Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Re: Miscellaneous Tariff Bill (S. 2076); Titanium Dioxide

Dear Chairman Baucus:

I am writing on behalf of Tronox Incorporated ("Tronox") in regard to S. 2076, a bill currently pending before the 111th Congress. If enacted, this legislation would provide for the temporary suspension of import duties on titanium dioxide classified under subheading 3206.11.0000 of the Harmonized Tariff Schedule of the United States ("HTSUS"). As discussed below, Tronox is opposed to the inclusion of S. 2076 in the Miscellaneous Tariff Bill ("MTB") being developed by the Senate.

Tronox is a Delaware corporation involved in the production of various chemical products, including titanium dioxide (Chemical Abstracts Service registry number 13463-67-7). Titanium dioxide is a pigment used in paint, plastics, paper, and hundreds of other consumer products. In the United States, Tronox operates titanium dioxide production facilities in Hamilton, Mississippi and Savannah, Georgia. As of December 31, 2008, the combined production capacity of these two facilities was estimated at 335,000 gross tons per year. These U.S. plants support hundreds of American jobs, including both regular employees and daily contract employees.

As a leading producer of titanium dioxide, Tronox is thoroughly familiar with U.S. market conditions. We are concerned that, if the current general duty rate of 6 percent were lifted, it could lead to price erosion at the expense of domestic manufacturing operations. Low priced imports from foreign sources could cause price depression and/or price suppression and make it increasingly difficult for U.S. producers to sustain and support future investment and growth opportunities in the United States. Decreased domestic employment could also result, harming American workers and negatively impacting the communities in which they work.

We also note that S. 2076 should be ineligible for inclusion in the MTB because it would result in more than \$500,000 in annual revenue loss for the U.S. Government. According the import data published on the U.S. International Trade Commission Dataweb for HTSUS subheading 3206.11.0000, during the most recently completed fiscal year (October 2008 through

September 2009), the total customs value of dutiable imports (i.e., excluding imports from duty-free sources) was \$99,941,004. Suspending a 6 percent duty on such imports would therefore result in a revenue loss of nearly \$6 million per year.

Tronox remains willing to provide whatever additional information you may need in connection with our opposition to S. 2076, and we are most appreciative of the opportunity to express our views.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Fenn". The signature is fluid and cursive, with the first name "Michael" written in a larger, more prominent script than the last name "Fenn".