

**TESTIMONY OF HIROTAKA IDE**  
**SHIKOKU CHEMICALS CORPORATION**

before the U.S. International Trade Commission

September 9, 2014 Hearing

*Chlorinated Isocyanurates from China and Japan*  
Inv. Nos. 701-TA-501 and 731-TA-1226 (Final)

1. Good afternoon. My name is Hirotaka Ide, and I am the General Manager of the Operational Management and Planning Department of Shikoku Chemicals Corporation. I have held different positions with SCC since 1990. During all my years with the company, I have been closely involved with the chlorinated isos business and with our exports to the U.S. market.

2. I appreciate the opportunity to be here today, and I would like to offer a few brief comments for the Commission to consider.

3. First, Shikoku has a long tradition of responsible participation in the U.S. market. Shikoku is a founding member of the Isocyanurate Industry Ad Hoc Committee. Since its founding in 1979, Shikoku has invested much time and money, and has worked alongside U.S. producers, to help create an appropriate regulatory framework in the United States for our industry. For example, we are helping to develop Model Aquatic Health Codes that set standards for the use of chlorinated isos in publicly owned swimming pools. This initiative, along with many others, helps all participants in this market – including Clearon and Oxy – to sell chlorinated isos. Shikoku has provided details of these investments in our questionnaire responses.

4. Second, since the early 1990s, Shikoku has been exploring ways to supply our U.S. customers with granular product made in the U.S. Like many auto companies have done, we would like to make some products closer to where our customers are located. This is because U.S. sourcing helps Shikoku to manage exchange rate risks, ocean freight and U.S. warehousing costs, and rapidly rising energy costs in Japan. Shikoku has explored and continues to explore many options, including greenfield investments and the purchase of existing production facilities in the U.S. As you know, we now have a co-production agreement with Oxy. For Shikoku, this is a step in the direction we want to take. I believe it is also good for Oxy, because they can leverage the DelCal marketing network through the co-production agreement and sell more of their granular product to U.S. tablet producers.

5. Third, I would like to address the capacity of Shikoku's plant in Tokushima. Until this case started, we had no surplus capacity at this plant. Now, we are in a transition period, and planning other uses for this capacity that are unrelated to the U.S. market. Because we have long wanted to shift more production to the U.S. anyway, regardless of this case, our planning for the future use of the Tokushima plant is well underway. I provided some detail on Shikoku's plans in my confidential written statement. I could provide more detail confidentially after the hearing if that would be helpful. Thank you.