

**TESTIMONY OF CORRADO PIOTTI
VICE PRESIDENT AND DIRECTOR OF SALES
QUIMICA AMTEX S.A. DE C.V.
BEFORE THE U.S INTERNATIONAL TRADE COMMISSION
FEBRUARY 15, 2011**

***Purified Carboxymethylcellulose from Finland, Mexico, the Netherlands and
Sweden; Inv. Nos 731-TA-1084-1087 (Review)***

Good afternoon. My name is Corrado Piotti. I am Vice President and Director of Sales for Quimica Amtex. I would like to talk to the Commission today about the position of Amtex in the US market and why I believe that the dumping order is having no effect on Amtex's ability to compete in the US market and why removal of the order will not hurt Aqualon.

First, Amtex has a very limited number of customers in the US. By far our largest customer is Azetca Milling, which will testify in a few minutes. Only about 3 customers make up almost all of our sales in any year. Amtex sells only to the food sector in the US market, and then only to a limited part of that market. As I will discuss, we see almost no competition from Aqualon, which sells in very different parts of the market, either with regard to its customer base or with regard to the sectors of the market.

The Commission has identified the different sectors of the market as (1) food, (2) personal care, (3) paper and board, (4) oilfield, and (5) other. For technical reasons we do not compete in the paper sector of the market anywhere in

the world. Much of that information is confidential and we have provided details in our confidential brief. This is a major part of the market for Finland and significant for Aqualon, but non-existent for Amtex.

The oilfield sector, which is very important to Aqualon and is very competitive in the US because of Chinese competition, is a sector in which we do not compete in the US. This is a low end product without the requirements of the food sector and goes up and down with the oil industry. In Mexico there is very little importation of Chinese product and we do sell at high prices . But in the US we have no interest because it is not a competitive product. Aqualon seems interested in taking the risks of the oil sector but we are not interested since we already have our small but stable customer base in the US.

In the personal care sector, I want to make a slight correction to what we said in our brief. We discussed one of our customers, Colgate, in the confidential part of our brief but I have decided to correct our statement publicly. We had indicated that Colgate had no US production of toothpaste. What we meant, and should have said, is that Colgate has no US production of toothpaste that can use Amtex purified CMC. Colgate does continue to make one toothpaste product in the US. That product is clear toothpaste, which is a smaller volume product. However, that toothpaste requires grade 12 purified CMC, which has a 1.2 degree of substitution. Amtex has no technical ability to produce this product and has

never produced product above a 1.0 degree of substitution. Aqualon can produce this grade 12 product, as can Kelco. You can see our inability to produce this product in our recent bid for Colgate, where we bid for the purified CMC for several markets but did not bid on the US market at all, because of our inability to make the grade 12. We can provide that bid to the Commission so you can see what I referring to. I am sorry if our original argument was not as clear as it should have been about what is made and not made in the US and why we cannot compete in the US for the Colgate business.

The one sector that we sell into the US is the food sector. Azteca will testify in a minute as to why they do not buy from Aqualon. Azteca constitutes most of our sales in the US. The only customer where we see any competition from Aqualon at all is a company called Nitta Casings. But that customer has been a small customer of ours for a long time and continues to be. It is much too small to have any effect on the profitability of Aqualon when there is a shortage of capacity worldwide for purified CMC.

I also should mention another more significant customer, TIC Gums, which has been our customer for 15-20 years. It originally came to Amtex because it had been buying from a European supplier many years ago and there was a production problem. But it had largely stopped buying from Amtex because it was not happy with the performance of our products with regard to clarity. For many years it had

been purchasing only high viscosity purified CMC which was not available from Aqualon. However, recently that TIC Gums did come back to us for some lower viscosity product due to a shortage of capacity in the market and its inability to obtain the product.

I think that the Commission will conclude that our position in the market, where we have been a small and steady supplier, despite having low dumping margins and having plants in Colombia and Argentina, shows that our volume and prices are not going to change regardless of whether there is a dumping order.

Thank you for the opportunity to testify and I will be glad to answer any questions.