



## Congress of the United States House of Representatives

October 13<sup>th</sup>, 2020

Andrew McGilvray, Executive Secretary  
U.S. Foreign-Trade Zone Board  
U.S. Department of Commerce  
1401 Constitution Ave., NW  
Washington, D.C. 20230

Dear Mr. McGilvray:

I am writing to provide formal comments regarding a Foreign Trade Zone (FTZ) application (docket number B-52-2020) submitted by Teijin Carbon Fibers, Inc. (“Teijin”) of Greenwood, South Carolina. If Teijin’s application is approved, it would be afforded duty-free treatment for imported polyacrylonitrile (PAN) fiber from Japan.

The state of Alabama is the single largest domestic producer of (PAN) fiber, which is the critical precursor in the carbon fiber production process. PAN fiber that is manufactured in Alabama is then shipped to facilities in Utah, where it is processed into finished carbon fiber by the Hexcel Corporation.

Hexcel currently employs hundreds of workers in Decatur, Alabama that manufacture PAN fiber. On behalf of those workers, I am expressing strong opposition to the Teijin FTZ application. Teijin is a direct competitor of Hexcel in the U.S. carbon fiber market. Granting duty-free entry to PAN fiber for Teijin would undermine Hexcel’s fully integrated production model, where all manufacturing steps, including PAN fiber production, take place in the United States. Granting Teijin’s request would needlessly damage Hexcel’s investment in U.S. facilities and jeopardize American jobs.

Allowing Teijin, or any other importer, access to duty-free PAN fiber diminishes the incentive to invest in new or enhance existing domestic PAN fiber manufacturing. Instead of providing these types of unnecessary incentives for offshore production, the U.S. economy would be better served through policies that further promote domestic PAN fiber production.

I would be remiss if I did not emphasize that carbon fiber is an essential base material for multiple Department of Defense weapon systems. Carbon fiber has numerous important military applications, including aircraft, unmanned aerial vehicles, ground vehicles, satellites and missile systems. In that carbon fiber cannot be produced without PAN fiber, it should be a high priority within all relevant federal agencies to ensure that U.S. production of PAN fiber is encouraged and strengthened. Doing so will help secure a stable domestic supply of military-grade carbon fiber that is not dependent on imports for critical precursors, such as PAN fiber.

As a result of the negative implications for state of Alabama, as well as the overall U.S. economy and our nation's military, I strongly urge you to reject the Teijin application.

Thank you for your consideration of our views in this important matter.

Sincerely,



Mo Brooks  
Member of Congress

cc: Joseph C. Semsar, Acting Deputy Under Secretary for International Trade