

MEMORANDUM

July 24, 2006

To: Senate Committee on Finance

From: Steven R. Valentine
Preston Gates Ellis & Rouvelas Meeds LLP
Counsel to Rhodia Inc.

Re: Comments on S. 1242, to Suspend Temporarily Duty on Lutetium Oxide

Rhodia Inc. welcomes this opportunity to comment on Senator Cornyn's bill, S. 1242, to suspend temporarily the duty on lutetium oxide. The bill was introduced at the request of Rhodia Inc., the U.S. operations of which are based in Cranbury, New Jersey. The chemical products involved are important to a Rhodia plant in Freeport, Texas.

Lutetium oxide is sold by Rhodia to a company that is based in Tennessee. That company uses lutetium oxide to grow crystals that have excellent applications in medical imaging equipment. The company's technology promotes the best resolution and fastest images for doctors' early detection of cancer in patients—all because of the Lu203 crystal.

Rhodia Inc. strongly supports S. 1242 and urges its incorporation in the miscellaneous tariffs legislation that is being prepared by the Committee.