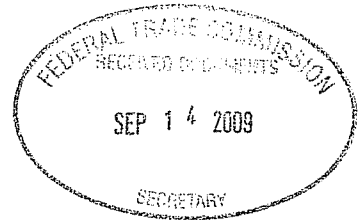


JAMES R. DUNN



PRESIDENT
PLASKOLITE INCORPORATED

September 10, 2009

Mr. Donald S. Clark
Secretary
Federal Trade Commission
Washington, D.C. 20580

Re: Petition of the Dow Chemical Company for Approval of the Proposed Divestiture of the Acrylic Acid Business and Latex Polymers Business to Arkema (*In the Matter of The Dow Chemical Company*, FTC File No. 081 0214)

Dear Mr. Clark:

This letter is submitted on behalf of Plaskolite, Inc. ("Plaskolite") pursuant to the invitation for public comment regarding the Petition of the Dow Chemical Company ("Dow") for Approval of the Proposed Divestiture of the Acrylic Acid Business and Latex Polymers Business to Arkema. In Plaskolite's view, the divestiture of Rohm & Haas's former facilities for the production of acrylic acids, and in particular ethyl acrylate, to Arkema will not remedy the competitive concerns that lead the Federal Trade Commission ("FTC") to order the divestiture of those assets. Accordingly, Plaskolite respectfully urges the FTC to reject Dow's petition.

Specifically, Plaskolite has two concerns regarding the divestiture from Dow to Arkema. First, Plaskolite is concerned that with respect to the sale of ethyl acrylate, Dow will effectively become the only source available to Plaskolite and similarly-situated customers, since as described below, Plaskolite does not believe Arkema has any incentive to compete with Dow for purchases of ethyl acrylate by Plaskolite and other downstream competitors of Arkema. Further, Plaskolite believes that Arkema's incentives to compete vigorously with Dow will also be restrained by the long term methyl methacrylate supply arrangement Plaskolite understands Arkema had with Rohm & Haas, and presumably now has with Dow. For both of these reasons, Plaskolite does not believe divestiture of ethyl acrylate facilities to Arkema will restore competition in the sale of this product to levels remotely like the level of competition that existed prior to Dow's acquisition of Rohm & Haas.

Plaskolite, Inc. is a leading manufacturer of acrylic resin (or PMMA) and acrylic sheet. Plaskolite converts acrylic monomer (methyl methacrylate or MMA) into acrylic resin. Plaskolite sells both acrylic resin and acrylic sheet, which Plaskolite manufactures from the acrylic resin it produces. Ethyl acrylate is a crucial raw material for Plaskolite in the production of acrylic resin (and by extension, acrylic sheet). Arkema is one of Plaskolite's most significant competitors in the manufacture and sale of acrylic resin and sheet.

In order to produce acrylic sheet with the qualities desired by consumers, Plaskolite uses ethyl acrylate to convert MMA into a polymer. For Plaskolite, and virtually every other manufacturer of acrylic resin, no substitute exists for ethyl acrylate in creating this polymer, and therefore effective competition in the ethyl acrylate market is crucial for Plaskolite and its customers.¹

The FTC has previously concluded that with Rohm & Haas's ethyl acrylate capacity, Dow would own between 80 and 90% of this capacity in the United States.² Likewise, the FTC has already found that "[e]ntry into the relevant acrylic monomer markets for ... ethyl acrylate would not be timely, likely, or sufficient in magnitude, character, and scope to deter or counteract the anticompetitive effects of the acquisition." Complaint (Jan. 23, 2009) at ¶ 13.

At least as disclosed in the public record, it does not appear however that the FTC has focused upon the fact that ethyl acrylate is a necessary raw material to the creation of acrylic resin. In the FTC's Complaint (¶ 7), the focus is upon the use of ethyl acrylate "in textile applications where abrasion resistance is required." In the Analysis in Aid of Comment, ethyl acrylate is grouped with as an ester "used to produce acrylic latex polymers used in paints, architectural coatings, and pressure sensitive adhesives." It is unclear, therefore, whether the FTC has considered the competitive impact of the proposed divestiture upon entities such as Plaskolite, which depend upon ethyl acrylate to manufacture acrylic resin.

In the past, notwithstanding the fact that competition in the sale of ethyl acrylate was limited to Rohm & Haas, Plaskolite was at least able to gain some leverage in pricing by the ability to switch between these suppliers. Arkema, however, will not fill the same role as Rohm & Haas if the divestiture is permitted because it has no incentive to offer competitive prices to other manufacturers of acrylic resin and sheet. In effect, Dow will have no real competition in the sale of ethyl acrylate to companies such as Plaskolite because Arkema will have no incentive to compete for sales to its acrylic resin and sheet competitors.

Conversely, Plaskolite believes that Dow will have little incentive to compete with Arkema with respect to ethyl acrylate sales if the divestiture is permitted. It is Plaskolite's understanding that Arkema had a long term agreement with Rohm &

¹ It is Plaskolite's understanding that Evonik (formerly Cyro) has developed a process for using methyl acrylate instead of ethyl acrylate to make acrylic resin. Plaskolite has attempted to use methyl acrylate in the conversion process, but has been unsuccessful in making this substitution. Likewise, insofar as Plaskolite is aware, no other acrylic resin or sheet manufacturer is able to substitute methyl acrylate for ethyl acrylate in making acrylic resin.

² The FTC's Complaint against Dow (Jan. 23, 2009) indicates in paragraph 11 that the combined market share of Dow and Rohm & Haas in ethyl acrylate would approach 90%. In its Analysis of Agreement Containing Consent Orders to Aid Public Comment, the FTC indicates the market share would approach 80%. In Plaskolite's view, there is no practical alternative to Dow and the former Rohm & Haas facilities for the purchase of ethyl acrylate in the U.S.

Haas for the purchase of methyl methacrylate, in which Arkema made an "investment" of some sort in Rohm & Haas's methyl methacrylate production facilities in exchange for favorable pricing of methyl methacrylate. Plaskolite does not have access to Dow or Arkema's confidential business information, but it has no reason to believe that this relationship has not continued since the sale. Given this relationship, Dow obviously would have no incentive to give favorable pricing to Plaskolite (or others) for ethyl acrylate sales when the consequence of such pricing would be to make Plaskolite (or others) more competitive with Arkema, and thus diminish Dow's methyl methacrylate sales to Arkema.

In short, the intertwined relationship between Dow and Arkema makes Arkema an inappropriate buyer for the divestment of Rohm & Haas's ethyl acrylate production facilities. Indeed, the recent price increase of \$0.10/lb or \$220/MT Dow has unilaterally announced will be imposed upon Plaskolite for ethyl acrylate (see the attached) suggests that Dow recognizes that the divestiture to Arkema will not restrict its pricing power.

Respectfully submitted,

JRD/jmc