

DAIKIN

October 31, 2006

COMPANY SANITIZED

Charles M. Auer
 Director
 Office of Pollution Prevention and Toxics
 U.S. Environmental Protection Agency
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 Mail Code 7401M
 Washington, DC 20460

DAIKIN AMERICA, INC.

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Re: Baseline Information for PFOA Stewardship Program

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Dear Mr. Auer:

In March 2006, Daikin America Inc. (DAI) joined other members of the fluorochemical industry in agreeing to participate in the 2010/15 PFOA Stewardship Program sponsored by the U.S. Environmental Protection Agency (EPA). With this letter, DAI is honoring the commitment we made at that time to provide baseline information for 2000 about the levels of PFOA, precursors and higher homologue substances in our products and in our facility releases to the environment. This baseline information will provide the basis for measuring percentage reductions in these chemicals by 2010.

DAI's commitment to the Stewardship Program is part of a long-range company effort, which has been ongoing for several years, to reduce the amount of PFOA in our products and in our facility releases. We have already made a series of technological changes to our operations to meet this objective, and we expect to take further steps that will improve our performance. In addition, we have developed a range of alternative products, based on C6 and C4 technology, that we hope will be able to replace C8 telomer products currently on the market. The combination of these various actions constitute our strategy for contributing to EPA's goal of "working toward elimination" of PFOA by 2015.

We are providing two documents in this submission. First, we are providing a public report that is based on Appendix E of the guidance document that EPA circulated to Stewardship Program participants on October 11, 2006. This is a public document, and we anticipate that EPA will be posting this document on its Website for the Stewardship Program.

We have decided to report our progress in the Stewardship Program as ratios between the amount of PFOA, precursors and higher homologues contained in our products or facility releases compared to units of production. We believe this approach makes sense because it keeps our focus on improving our technological performance, regardless of the fluctuations in the business cycle or of the growth pattern for our company. We are not reporting the absolute volumes of polymer production, impurity levels in products or impurities in environmental

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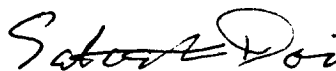
releases because such information is confidential business information or can be used to derive such information if, for example, it was combined with the ratio information that will be made public.

Second, we are providing a background document for EPA that explains how DAI developed the data in its public report. This document will explain the data sources, measurements and calculations that were used to derive the numbers presented in the public report. In addition, it will explain what methodologies DAI will use going forward to measure our progress and thereby provide the basis for future annual public reports. This background document must remain confidential because it contains proprietary business information. EPA should, however, feel free to post this cover letter and the public report on the Agency's Website.

DAI intends to work with EPA to make the Stewardship Program a success. We look forward to providing annual public reports on our progress, as anticipated under the Program. In addition, we are considering providing periodic public updates on specific aspects of our implementation activities.

Please let us know if you have any questions about the specific data, methodologies or calculations that underlie our public report. Thank you for your attention to this matter.

Sincerely,



SATOSHI DOI
President