

**Prepared Remarks for Governor Doyle
Paper Testimony – U.S. International Trade Commission hearing, Washington D.C.
Thursday, Oct. 2, 2008**

Testimony:

Thank you, Madam Chairman and members of the Commission for the opportunity to appear before you today in support of the domestic lightweight thermal paper industry.

We greatly appreciate the time and focus that the Commission has given to the interests of this very important industry. I appear before you today to urge you to recognize that our domestic lightweight thermal paper industry is at peril as a result of unfair trading practices employed by certain German and Chinese manufacturers.

In recent years, the state of Wisconsin – in spite of its great many assets and unique strengths – has witnessed serious economic challenges. This summer, Wisconsin's unemployment levels reached their highest point in the past ten years, rising as high as 5.9 percent. To fight these losses, our companies have worked hard to make world-class products that can compete globally, and we have encouraged and supported innovation on an unparalleled scale. But no matter how strong and innovative our companies are, Wisconsin businesses can only succeed if they are afforded a level playing field.

In the domestic paper industry, lightweight thermal paper is one Wisconsin innovation that has proven to be a success – and one that is now used worldwide as ATM receipts and receipts from grocery stores and restaurants. Appleton, the main petitioner in this case, has helped lead the way, now producing more than 60 percent of the world's lightweight thermal paper. For more than 100 years, since its founding, Appleton has been a cornerstone of the local economy and communities in the Fox River Valley.

Appleton has close to 1,350 Wisconsin employees, nearly all of whom are also owners of this company. In fact, Appleton's employees purchased the company in 2001 from its prior owners to keep the company and its jobs in Wisconsin. These same workers own 100 percent of Appleton through an ESOP. The investments that Appleton makes are employee investments in their own futures, and what happens to the company affects their bottom lines. To keep operations state-of-the-art and safe, Appleton's employee-owners invest some \$14 million each year into their Wisconsin facilities.

In today's difficult economy, there are not many traditional industries willing or able to make this kind of investment in their own long term health. It is precisely this kind of company that should not be left to fend for itself against an influx of illegally low-priced imports from foreign competitors.

Nearly 700 of Appleton's Wisconsin employee-owners are proud members of the United Steelworkers Union (USW). Like the leadership of the USW, many have come today from Wisconsin to demonstrate their support for this petition and to fight for what they have come to depend on – good-paying jobs, retirement security, and a way of life. There is truly a lot at stake in this case for Appleton's employee-owners, their communities, and their families.

It is for these workers, their families and their communities, that I am here today to ask for your careful consideration of the facts of this case as you prepare for your upcoming determination in the lightweight thermal paper case. As the Commerce Department noted in its prior finding in

favor of the U.S. industry, these goods are being sold in U.S. markets at prices significantly lower than fair market values.

There is little doubt that these practices reflect a clear attempt by foreign competitors to grab market share at the expense of the U.S. industry. It would be unfair to allow our manufacturers and their workers to fall prey to the illegal pricing strategies of global competitors who refuse to compete on fair terms.

I understand that recently, several of you were able to travel to Wisconsin to visit the Appleton plant and company headquarters. As you no doubt realized, these are modern, state-of-the-art facilities, which we are proud to have in our state. I know that your visit was brief, and while I do not expect you had the chance to get to know the hard-working employee-owners at Appleton, I have met many of them and I know they take great pride in working for and being owners of Appleton.

In Wisconsin, workers like these at Appleton and others across our state are working hard to prepare our economy for the long-term and to do all that we can to give our businesses the strongest foundation possible for future growth and competition. Given a level playing field, we believe our companies can compete anywhere in the world. But when the facts demonstrate, as in this case, that the competition is not fair, we must follow our trade laws to remedy the situation and protect our workers, their families, and their communities. Truly, one of my greatest fears as Governor is seeing this industry fall by the wayside because of temporary pricing strategies employed by overseas competitors to undercut American manufacturers.

We cannot let the lightweight thermal paper sector suffer the same fate as coated free-sheet paper has – I urge you to help us ensure that another paper producer is not forced to shutter its doors because it cannot compete when one hand is tied behind its back.

Madam Chairman, I hope that as you weigh all the evidence before you, you and your fellow commissioners will note the damaging rate at which these German and Chinese producers are infiltrating the U.S. market and vote to stop such dumping.

Please know that Wisconsin's workers are counting on you to take action and find that Appleton and the domestic industry are indeed, being injured by these practices. I thank you for your consideration.