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**LIGHT-WEIGHT THERMAL PAPER FROM CHINA AND GERMANY**  
**Hearing Before The U.S. International Trade Commission**  
**On October 2, 2008**

**STATEMENT BY**  
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Good morning. My name is Jon Geenen, and I am an International Vice President in charge of the paper sector of the United Steelworkers.

The USW is the largest industrial union in North America with 850,000 active members. In addition to the steel industry we represent workers in the paper, forestry, rubber, and petro-chemical industries, as well as a number of other sectors of our economy. The paper and forestry sector is the second largest sector of our union with over 200,000 members, including many members engaged in the manufacture of lightweight thermal paper.

American paper workers are in the fight of their lives. Despite the fact that U.S. paper companies have become the most efficient producers in the world, the U.S. market has become the dumping ground for foreign paper. This is particularly true of lightweight thermal paper. German and Chinese producers are taking a large share of the U.S. market through unfair pricing, and this problem is compounded by Chinese producers that also have a tremendous unfair advantage because of subsidies they get from the Chinese government.

The USW is the dominant union in the United States paper industry. All of the lightweight thermal papermaking capacity in the U.S. is unionized. The USW represents paper workers at Appleton Papers and at Kanzaki. In short, thousands of good paying union jobs are tied to the thermal paper industry.

My own work life started in the paper industry in 1977, at Thilmany Pulp and Paper in Kaukauna, Wisconsin, just a few miles down the road from Appleton Papers' plant. I have a number of close friends and relatives that work at the Appleton plant. My wife worked there for 25 years, as did two of my daughters, as summer help, to help finance their college educations.

My career in representing workers in the paper industry started on the shop floor and eventually led me to the position I am in today. This responsibility weighs heavily on me given the crisis the paper industry is facing, like no other in its history.

Over my thirty year career in the paper industry, I have seen tremendous and often positive, if difficult, changes. Growing global competition has made U.S. paper workers and the industry become more efficient and productive. Today, in many mills, paper is produced in flexible, self-directed and high performance work places that focus on lean manufacturing-- where workers are problem-solvers and have extensive decision making responsibility. The result has been improved productivity and reduced costs; and the union workforce has been at the vanguard of these advances.

While we understand that such gains have come at a cost -- namely large reductions in employment -- we believed, overall, it was worth the cost -- until now. Instead of reaping the benefits of our dedication and sacrifice to ensure the industry's future, all our difficult efforts are being undone by unfair foreign competition. In Wisconsin alone, 20 percent of the industry has been lost in seven short years, and this trend mirrors losses occurring across the country. While it is one thing to lose jobs due to inefficient and outdated equipment; it is painful to watch workers suffer the loss of high quality jobs on state-of-the-art equipment because of unfair advantages. This is a terrifying reality for our USW members and the community. From 2001 through 2007 a total of 118,000 jobs have been lost in the paper industry. This year alone twenty

(20) paper machines have been shut down. These are good paying and technically-skilled jobs that support middle class families and provide hope for the future. The average wage rate for a worker in our industry is 23 dollars per hour exclusive of benefits. The paper industry is on a knife edge. It is very sensitive to unfair trade, but my members will bear the burden of any harm.

Thermal paper enjoys tremendous advantages -- abundant access to fiber, large water supplies, proximity to customers and a highly-skilled and dedicated workforce. And yet these advantages are of no use when thermal paper products are dumped and subsidized keeping prices low and eroding the gains we have fought so hard to achieve.

Your investigation makes clear that thermal paper imports from Germany and China are causing injury to our domestic industry. Imports are up and the market share of German and Chinese producers is high. These imports have had an adverse impact on U.S. producers' production, shipments and capacity utilization rates, and on U.S. producers' financial performance.

Our workers are well-trained; and our institutions of higher education like Wisconsin's Technical College System provide support and infrastructure for this industry through apprenticeship programs, basic and advanced educational offerings. Now, even high end programs are being built around the opportunities that accompany renewable energy applications in the paper industry so we can continue to produce highly technical products like thermal paper in an energy efficient and cost effective manner.

Today, we have the skilled paper workers we need for the U.S. to compete effectively in a global economy. What we need are the jobs. These aren't the jobs of the past -- these are the jobs of the future. These are the jobs worth fighting for. And so I am here today seeking your

help to stop unfair import competition from destroying those jobs and ruining the lives of our great American workers, families and communities.

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