

Senator Kohl International Trade Commission Testimony

Madam Chairman and fellow Commissioners, thank you for the opportunity to appear today on behalf of Appleton Papers and their case regarding subsidized imports of lightweight thermal paper from China and dumped imports of lightweight thermal paper from China, and Germany.

Founded in 1907 in Appleton, WI as the Appleton Coated Paper Company, Appleton is the world's largest producer of carbonless paper and a leading producer of thermal, security and performance packaging products.

Appleton manufactures its products in locations across Wisconsin, Ohio, Pennsylvania, and Massachusetts. Today Appleton's Wisconsin plant employs 761 employees and produces more than 200,000 tons of carbonless, thermal and specialty coated paper grades.

Of Appleton's 2,400 employees nationwide, many are proud members of the United Steelworkers Local #469. I am pleased to see so many Appleton employees and USW members in the audience today supporting this case and I salute USW's work and help to ensure a fair remedy in this case.

I am here today to support our domestic paper industry and to stand up for American workers. The facts in this case are compelling. Imports of lightweight thermal paper from China and Germany rose 60% from 2000-2006, while at the same time domestic producers saw their market share drop.

And just last week, the Department of Commerce ruled that Chinese producers of lightweight thermal paper are receiving illegal subsidies from the Chinese government and that Chinese and German producers are selling their products in the United States at prices below market value. In both cases, the Department of Commerce agreed that foreign competitors were acting illegally and imposed duties.

It is now up to the International Trade Commission to make the final determination – and the stakes could not be higher. Last November, NewPage Corporation lost a similar trade case that was before you. Since then, NewPage has closed two Wisconsin paper plants, resulting in 900 good paying jobs being cut. NewPage has told me that they closed the Wisconsin plants because of cheap Chinese paper being dumped onto the U.S. market, which undercut NewPage's business. Wisconsin can not afford to lose another paper company.

Today's case on lightweight thermal paper is an opportunity to stem the losses in this sector and send a message to the Germans, the Chinese, and others, that if they want to do business here, we expect them to abide by the rules.

There should be no doubt that trade is vital to our nation's economic future. The debate today is not about whether we should be open to trade. It is about the rules we use to ensure that trade preserves the economic, environmental, and social progress of our nation and that of our trading partners. U.S. trade laws are indispensable tools which guarantee a level playing field and fair opportunity for American workers to compete against unfair foreign trade

practices. I know the Appleton workers here today can compete against their counterparts anywhere in the world – so long as the playing field is level.

Every day, U.S. paper companies are losing market share, American workers are being harmed and companies are losing profits and sales. It is time we start leveling the playing field with our foreign competitors. Otherwise, we will not have a domestic paper industry to speak of. I respectfully urge the Commission to support the domestic lightweight thermal paper industry. Wisconsin needs your support, and I am grateful to be here to share our concerns with all of you. Thank you.