

Testimony of Ohio Senator George V. Voinovich

**LIGHTWEIGHT THERMAL PAPER FROM CHINA AND GERMANY  
(Investigation Nos. 701-TA-451 and 731-TA-1126-1128)**

October 2, 2008

Chairman Aranoff and Commissioners, thank you for the opportunity to testify before the International Trade Commission ("ITC" or the "Commission") on this matter. This hearing and your decision will affect the future of many hard-working Ohioans and the company they own.

This Commission plays an important role in protecting the health of America's manufacturing sector by enforcing trade laws. As a Senator from a state that depends on a healthy and vibrant manufacturing sector, I thank you for everything you do to enforce our trade laws and provide our domestic producers relief from illegal trade practices.

I have long been a supporter of Ohio's manufacturers and America's manufacturing sector. I am deeply concerned by the forces that damage American manufacturing's ability to compete in the global economy, including soaring health care costs, rising energy and raw material costs, and persistent unfair trade practices by foreign competitors, such as currency manipulation and the theft of intellectual property.

As you have heard from me during my prior testimony before this Commission, manufacturing is the backbone of Ohio's economy. It provides one out of every six private sector jobs and generates roughly 20 percent of the gross state product. The manufacturing sector provides high-skilled jobs with quality wages and benefits, and it generates additional jobs among its suppliers and service providers. Manufacturing leads the economy in productivity and innovation, and its health is important to the economic health of Ohio and our nation.

I have long held the belief that open trade is better than building trade barriers. This trade, however, must adhere to the global trade rules; it must be fair. Producers that flout these rules must not be able to gain from their violations. Americans question whether some of our trading partners are operating within the global trade rules. Unfortunately this is causing the very real consequence of reducing America's appetite for trade. It is important for the Commission to

prevent illegal trading practices, as this helps to ensure that Americans will retain their belief in trade.

I support the ITC's close and careful review and analysis of the importation of certain lightweight thermal paper (LWTP) from China and Germany, and I am sure the Commission will review the evidence closely and reach an appropriate decision regarding the status of these orders.

Ohio is proud to be home to workers employed in the LWTP industry. The LWTP manufacturers are an important part of Ohio's manufacturing economy. In particular, Appleton Papers, Inc. ("Appleton") employs roughly 470 people at its facility in West Carrollton, Ohio. These 470 individuals are not just Appleton employees, they are the company owners. As I am sure this Commission is aware, Appleton is 100 percent employee-owned.

Appleton's employees are putting their money where their mouth is by making the necessary investments to remain competitive in the global market. For example, Appleton recently invested \$125 million in its West Carrollton facility. This investment had immediate results on the community creating roughly 40 new jobs with good wages and benefits. These are the sorts of investments that are vital to southwest Ohio.

This Commission may not be aware, but southwest Ohio is facing a potential one-two economic punch of unprecedented consequence. This spring, General Motors Corporation ("GM") announced it will close its Moraine, Ohio facility, which will result in the loss of roughly 2,300 jobs. Around the same time, German-owned Deutsche Post World Net and its subsidiary DHL Express U.S. announced the company planned to abandon its Wilmington, Ohio airpark, resulting in the loss of up to 10,000 direct jobs.

I am deeply concerned that unless Appleton is able to gain appropriate relief from the ITC on unfairly-traded imports, then its workers will face a fate similar to those at GM's Moraine facility and Deutsche Post World Net's Wilmington airpark. These are jobs losses that the southwest Ohio economy cannot continue to absorb. As the former mayor of Cleveland and

governor of Ohio, I know how important companies such as Appleton are to their communities. For example, in 2007, I understand that Appleton paid roughly \$1.6 million in state and local taxes. During this same period, Appleton paid over \$26 million in wages to its Ohio workforce. These are wages and taxes that support local businesses, schools, and local police and fire departments.

I understand that the Department of Commerce has affirmed its preliminary finding that Chinese and German LWTP producers were engaged in illegal dumping. Not it is up to this Commission to render its final determination in this matter. The matter under review today is a textbook example of the important role that our nation's domestic trades remedy laws play in protecting the health of our companies. As this Commission knows, it has the power to constrain importers from selling their products below cost or from receiving illegal subsidies, and to provide much-needed relief to the domestic industry and its employees.

The attractiveness of the overall U.S. market for global export producers is, I believe, self-evident with low barriers to entry and low tariffs. When foreign producers undersell U.S. companies because of dumping or subsidies, domestic producers, like Appleton, are unable to maintain profitability levels sufficient to make the necessary investment in their manufacturing technologies, worker training, new or upgraded facilities, and equipment. Eventually, these companies may fail or be substantially impaired, not because of some comparative advantage enjoyed by the producers of the imported products, but because these countries and companies violated U.S. trade laws. Consequently, I urge the Commission to examine closely the subject imports, and if it finds them to be illegal, to take immediate corrective action.

Thank you for this opportunity to present my views.