

**Final Hearing
International Trade Commission
October 20, 2009**

**Commodity Matchbooks from India
Inv. No. 701-459 (Final)**

**Statement of
Christopher V. Bean, Owner, Director, Corporate Counsel
D.D. Bean & Sons Co.**

My name is Christopher Bean an owner, director and the corporate counsel of D.D. Bean & Sons Co. I would like to start out by expressing our appreciation for the support and guidance that the staff at both the International Trade Commission and the Department of Commerce has provided to us. It has been well over a year since we first reached out to the government through the ITC to seek relief from the dumped and subsidized commodity matchbooks being imported from India. Whether or not the Commissioners ultimately find in our favor, it has been a gratifying experience to have participated in this process. We are a small business representing a small industry and we do not have the financial resources, particularly under the present circumstances, to hire specialized legal and economic experts. We had no choice but to do this work on our own. However, we have witnessed the government fulfill its promise to protect its domestic industries from unfair trade practices regardless of the size of the industry or its ability to hire such experts. We are grateful for the help provided by both the ITC and DOC staff and regardless of the final outcome, we are truly grateful for the way the system works.

D.D. Bean & Sons Co. was founded in 1938 by my grandfather and his two sons - my father and an uncle - and the company is still run by third generation members of the Bean family, namely my two brothers and I.

Our company is still a leading employer in the small town of Jaffrey, New Hampshire, employing several generations of local workers. As of June 30th, the end of the interim period for 2009, the company employed fifty-four production workers, five administrative personnel and the four owner/directors of the company. Within that group of sixty-three employees, the average length of service is nineteen years. We have three employees with between 40-44 years of service, five employees with between 30-39 years of service and twenty-five employees with between 20-29 years of service. That means a full 52% of our employees have been with the company for more than twenty years. In addition, approximately 20% of our workers are multi-generational, including one 4th generation, four 3rd generation and seven 2nd generation employees, including one of our team members here today, Julia Bartlett. We are very proud of those numbers.

However, as I mentioned, D.D. Bean & Sons Co. is not a large business and the industry on behalf of which we are seeking this trade relief, the domestic commodity matchbook industry, is certainly not a large industry. In fact, at this point in time, our company is the only active producer in the business – the only other producer, Bradley Industries, has recently ceased manufacturing commodity matchbooks due to the injury caused by the dumped and subsidized matchbooks imported from India.

Unlike the present time, the American matchbook industry was once substantial and it has a unique and important history. The industry began in 1892 when a Philadelphia patent attorney by the name of Joshua Pusey was granted a patent for what he called “Flexible Matches”. The patent was purchased by the Diamond Match Co., the leading producer of wooden matches at that time. Diamond soon recognized that matchbook covers were an ideal medium for targeted advertising and once the practice of

giving away matchbooks with the purchase of tobacco products was established, free matchbooks became an immediate success. Other companies, some with very familiar names such as Ohio Match, Lion and Universal, soon entered the business and paper matchbooks quickly became one of the most popular advertising mediums in the United States. As manufacturing techniques improved, the matchbook industry continued to grow and commodity matchbooks also quickly became the most widely used ignition source in the United States.

By the time the industry peaked in the early 1970's, there were thirteen independent companies with eighteen different manufacturing locations producing more than thirty billion matchbooks annually. The phrase "Close Cover Before Striking" was reported to be the most printed phrase in the history of the printed word.

Unfortunately, it was another phrase that was introduced around that same time that would change the course of history for the commodity matchbook industry forever. That phrase was "Flick Your BIC". With the advent of disposable butane lighters such as BIC and Cricket in the 1970's, commodity matchbooks were rapidly replaced as the preferred ignition source for lighting tobacco products. Many of the matchbook producers started closing factories and going out of business. Disposable lighters continued to gain market share from matches through the 1990's, finally reaching a saturation point where there were actually more lighters being imported into the U.S. than the total demand for "lights" based on the number of cigarettes sold. However, even then there continued to be a significant demand for commodity matchbooks as an inexpensive ignition source and an alternative to lighters.

Our company succeeded because our business plan was to specialize in commodity matchbooks only and as a result we kept our focus on being the most efficient and lowest cost producer. This specialization in commodity matchbook production sparked us to develop many innovations for more automated and higher output equipment. We have continued to refine and improve the efficiency of our equipment right up to the present time giving us the highest output machinery of any producer in the world.

This competitive advantage enabled our company to ultimately emerge as the industry survivor in the United States. Even though in recent years the demand for commodity matchbooks has been impacted by reduced smoking rates, we have adjusted to the new realities of the market and learned how to adapt to declining sales. We remained a strong, healthy and profitable business until we were so severely impacted by the lost sales and depressed pricing caused by the dumped and subsidized imported matchbooks from India.

We are very proud of our history as a third-generation family business and as a successful American manufacturing company. For more than seventy-one years we have continuously evolved and adapted to changing market conditions. We know how to compete. We know how to keep overheads low and how to tighten our belt in tough times. We know how to face challenges and overcome adversity. And even though our operations are diminished from earlier decades, we have earned our current status as the surviving company in this industry.

I would like to close by emphasizing the point that we did not undertake this action to seek import relief because we are unable to compete on a level playing field.

Our history proves otherwise. However, without relief from the devastating impact of the dumped and subsidized commodity matchbooks imported from India we would be unable to sustain the operating losses much longer and our company, as well as this great American industry, will almost certainly cease to exist.