

Testimony of Senator Russell D. Feingold
Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed
Presses from China and Indonesia
(Inv. No. 701-470-471 and 731-1169-1170)

September 16, 2010

Chairwoman Okun, and members of the Commission, I appreciate the opportunity to testify today on behalf of petitioners NewPage Corporation, Appleton Coated, and their workers, represented by the United Steelworkers union, a co-petitioner. The coated paper sector is a significant employer in my state, as is evident from the participation today by other colleagues from the Wisconsin Congressional delegation. It has provided thousands of family-supporting jobs in several communities.

The damage done to the industry by the unfair trade practices you are reviewing has been felt throughout those communities, beyond just the affected companies. When a paper mill closes, it affects many more than just those who work at the mill. The grocer is selling fewer groceries. The clothing store is selling fewer clothes. And the same is true of the electronics store, the hardware store, and businesses all around these communities. Anyone who has traveled around my state can see the breadth of the devastation those closings have caused.

NewPage Corporation and Appleton Coated combined have nearly three thousand workers, most of them members of the United Steelworkers. Their Wisconsin mills provide good paying, family-supporting jobs for their workers, as well as a significant amount of fiscal support for the vital services provided by our state and local governments. Wisconsin is home to 241 pulp and paper facilities that employ approximately 35,000 people. NewPage Corporation has more than 2,000 workers in its mills located in Whiting, Stevens Point, Biron, and Wisconsin Rapids. Appleton Coated has 650 workers at its Combined Locks facility.

I understand that during the period of your investigation, in 2008 NewPage closed its paper mill in Kimberly and its pulp and paper mill in Niagara. Nearly 1,000 of their workers were laid off. Last year, Appleton Coated laid off 73 workers in its Combined Locks facility. Those closures rocked their communities and continue to do so. They are a direct result of the unfair trade practices you are examining in these investigations. Generations of families have worked at these jobs and are devastated by what is happening. Instead of those mills expanding, and creating new jobs, workers look around and wonder who is going to be next to lose their job.

The Wisconsin paper industry and its workers can compete with anyone given a level playing field. They have stayed ahead of the curve when it comes to technology and

efficiency. Their competitive shipping costs and shipping times coupled with their access to an abundance of wood fiber and water resources put them in a strong position to do well against their Chinese and Indonesian competitors if not for the unfair dumping and subsidization. I say that because China, I am told, must turn to Latin America for wood fiber and lacks sufficient access to water. Wisconsin paper producers also practice good environmental stewardship and succeed in reducing their environmental impact.

The three petitioning companies NewPage, Appleton Coated and Sappi are being battered by the unfairly traded imports of coated paper from China and Indonesia. These imports adversely affected their ability to price competitively in the U.S. market. The Commerce Department has found preliminarily that these two subject countries are both dumping and subsidizing these imports. Wisconsin paper producers and their workers are joining those in other states in providing the facts that will provide the basis for the Commission to set things straight.

The coated paper industry has experienced capacity reductions and under-utilization resulting in loss of jobs in communities all across the country. The petitions these companies and their workers have filed and the evidence being gathered in this final phase of these investigations will show that China and Indonesia are significant contributors to these problems. Production workers at 20 paper mills in seven states are affected. Their future and that of their families, friends and communities depends on the outcome of these investigations.

I urge you to continue to carefully weigh the information you have before you, including today's testimony. When you do I am confident that your final determinations will find that the dumping and subsidization of the coated paper industry has resulted in material injury. Thank you for the opportunity to participate today.