

**Testimony of U.S. Rep. Thomas E. Petri**

**Certain Coated Paper Suitable for High-Quality Print Graphics**

**Using Sheet-Fed Presses from China and Indonesia**

**Inv. Nos. 701-TA-470-471 and 731-TA-1169-1170 (Final)**

**September 16, 2010**

Chairman Okun and Members of the Commission,

Thank you for the opportunity to testify at today's hearing. It's a pleasure to speak on behalf of Wisconsin's paper mill workers and their employers at Appleton Coated and NewPage Corporation. Papermaking has a long history in Wisconsin and the industry is an important component of our manufacturing environment.

For those of us from Wisconsin, numbers are not necessary to explain papermaking's central role in our economy. Paper mills, pulp mills, lumber trucks, and expansive forests are so visible that we learn early that paper is being made nearby and that many of our neighbors are employed in the industry.

Numbers, however, can be of service in painting the picture for those not entirely familiar with Wisconsin. A recent study published by the Alliance for American Manufacturing, citing Census Bureau data on employment in the paper industry, showed Wisconsin as the nation's leader in paper industry jobs, with approximately 8 percent of the national paper and paper products workforce. By congressional district, the 6th, which I represent, was second in terms of paper industry employment, behind only our neighbors to the north in Wisconsin's 8th District.

As you know, today's hearing concerns the importation of coated paper from China and Indonesia. The Department of Commerce has already announced a preliminary finding of subsidization and issued a preliminary determination that coated paper from these countries has been dumped in the United States. The Commission will determine whether the domestic coated paper industry, both employees and employers, has been harmed by this dumping. I believe that the pattern of subsidization and dumping found by the Department of Commerce has had a significant and negative impact on paper industry employment.

For the past decade, paper employment has been falling nationwide. According to the Bureau of Labor Statistics, as recently as November 2000, the industry employed more than 600,000 workers. By October 2009, paper sector jobs had fallen below 400,000. Where did these jobs go?

A vivid example was provided in 2008 when NewPage closed its paper mill in Kimberly, Wisconsin, putting more than 500 experienced papermakers out of work. Unaddressed dumped paper from China was an important factor in the decision to close that mill. For more than a century, Kimberly's mill stood at the heart of the community's economy. In a town where the high school's athletic teams are nicknamed the "Papermakers," the mill was central to its culture as well. The Kimberly mill was a modern, state of the art facility with a dedicated and experienced workforce. The mill offered a quality product and was competitive in the coated paper market. No mill, however, can compete successfully against subsidized producers and Kimberly's mill was shut down, a casualty of unfair trade and unenforced trade laws.

The paper industry faces many challenges, including a decline in demand for the high-quality coated paper that is the subject of today's hearing. This decline, however, should not be allowed to divert attention from a deliberate and persistent policy of subsidizing the production of coated paper for export to the United States by China and Indonesia. Rather, shrinking demand should be considered in concert with these subsidies because, as a market gets smaller, it should be fair competition that determines the winner. Today, we have an opportunity to take a step toward such fair competition.

I have always believed in free trade and have supported keeping our markets open in exchange for new overseas opportunities for American companies. I have great confidence that our companies and our workers can compete with the best in the world. However, we cannot be foolish enough to think that pursuing free and fair trade is enough to make it happen. It is imperative that our laws prohibiting dumping be enforced and safeguards be put in place to defend those in harm's way.

In closing, I urge the Commission to consider carefully the testimony given today and to study the record developed by these proceedings. Having taken these steps, I believe that you will conclude that the subsidization and dumping of coated paper that have been substantiated by the Department of Commerce cannot help but bring material harm to the domestic coated paper industry in Wisconsin and throughout the United States.

Thank you.