

STEVE KAGEN, M.D.

WISCONSIN
8TH DISTRICT

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Congress of the United States

U.S. House of Representatives

Washington, DC 20515

www.kagen.house.gov

1232 LONGWORTH
WASHINGTON, D.C. 20515

TELE: (202) 225-5665
FAX: (202) 225-5729

WISCONSIN OFFICES:

700 E. WALNUT STREET
GREEN BAY, WI 54301

TELE: (920) 437-1954
FAX: (920) 437-1978

PAPER VALLEY RADISSON
333 W. COLLEGE AVENUE
APPLETON, WI 54911

TELE: (920) 380-0061
FAX: (920) 380-0051

TOLL FREE IN WISCONSIN
800-773-8579

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Testimony Before the International Trade Commission

RE: Appleton Coated Paper vs. China and Indonesia

Thank you very much for allowing me to be with you today. My name is Dr. Steve Kagen. I grew up in Appleton, Wisconsin in the heart of what is commonly referred to as Paper Valley, where over 20 different papermaking companies used to call home as well. I am proud to represent people who live and work hard all along the Fox River in a chain of cities and towns called the Fox Cities from Menasha, Neenah, Appleton, Grand Chute, Little Chute, Kimberly, Kaukauna, Wrightstown, DePere, Ashwaubenon to Green Bay. Much has changed in Paper Valley since the 1950s; many family-owned and family-run paper manufactures have been either sold to large foreign-owned interests or closed altogether as a consequence of both global competition and illegal trading of paper within our domestic marketplace.

In 2008, I appeared before this body to testify on behalf of Appleton, a coated paper operation owned by its employees, during investigations involving lightweight thermal paper from China. In the case of Appleton, you ruled correctly 6-0 that China had illegally dumped their products into the United States and now they are paying a fine. Now you have before you yet another case of illegal paper sales by China, and I trust you will come to the same conclusion: China is cheating and stealing our jobs, our homes and our future by dumping their illegal paper into our markets.

I am also here to testify on behalf of Mr. Tony Swanningson who works at one of the companies in question, Appleton Coated Paper. Tony, his wife Sherry and their children Corey and Kayla live on County Highway ZZ in Kaukauna, Wisconsin – a few miles a way from our family farm in Hollandtown.

I have this handwritten letter from Tony with me. Kindly allow me to share his words with you, because the Appleton Coated case before you is really not so much about papermaking as it is about saving Tony Swanningson's job along with every other hard-working papermakers living in Wisconsin.

(See statement of Mr. Tony Swanningson attached below.)

In Wisconsin, we want a level playing field because we can compete - and win - against anyone and any corporation in the world when the rules are fair and the ground is level. Look, we know that no corporation can defeat a government that manipulates the value of its currency, subsidizes its industries with cheap labor, has

no environmental standards, no social safety nets, and offers free raw materials and energy. No company anywhere can succeed and grow the jobs we need when the deck is stacked against them, as it is now with Appleton Coated Paper.

Simply put, China and Indonesia have cheated and won. They have stolen our jobs and the Swanningson family cannot afford to have that continue. China and Indonesia have caused real damages to real people and every area business surrounding affected paper companies as they try to survive.

You have the numbers in your report, and I urge you to do what is right – level the playing field and punish those who have not been playing fair. Appleton Coated Paper employs about 620 people and helps keep the nearby area thriving. In 2009, Appleton Coated laid off 63 workers at Combined Locks. Such layoffs have lasting effects on our small, tightly knit communities in the Fox River Valley.

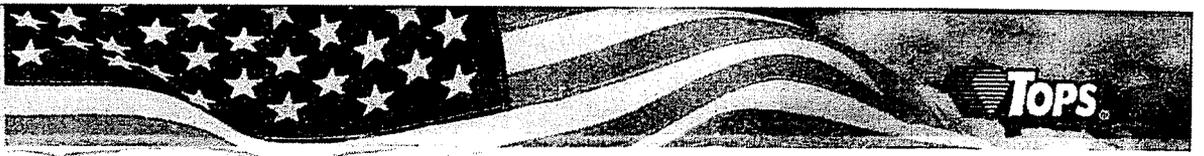
In 2008, NewPage closed its mill in Kimberly and its pulp and paper mill in Niagara, Wisconsin. Almost 1,000 workers were laid off in those two plants. Highly skilled and experienced paper workers were forced to accept lower paying positions elsewhere.

When a paper mill closes, it's like a death in the family. It's personal when you lose your identity and friends who you've worked along side for decades, and it devastates the entire community. For the first time in over 120 years, the Kimberly paper mill is silent. We're the Papermakers in sports. I can't adequately explain in words just how painful it is to change your identity. The paper mill in Kimberly was profitable and it was the major employer in the community. Papermaking jobs provided necessary revenues for public schools, and without that revenue stream our standard of living remains at risk.

In Wisconsin, we grow timber. In addition, we have some great rivers. Those are two important reasons we're so good at papermaking. Our history of good timber and plentiful water gave us an edge for over a hundred and fifty years as we developed the science and technology of paper manufacturing - all along the Fox River. Our rich Wisconsin history of papermaking, of working hard and playing by the rules, and our very way of life is being stolen overseas by government-sponsored companies that have targeted everything we make for extinction. It is time for all of us in America stand up to those who break our laws, as we are doing here today.

The facts show that Indonesian and Chinese coated paper producers are not playing by the rules, and neither are their governments. It is past time to level the playing field.

I have faith you'll rule in favor of the Swanningson family and their co-workers who wish to be able to live in their own home and enjoy the fruits of their labor. I am also convinced we're going to Make It In America when you decide to level the playing field and make China play by our rules – not theirs.



Congressman Kagen,

I have been a paper-maker for 18 years. I am grateful for the opportunity to provide for my family that the industry has given me. In 2009 I lost my job - through no fault of my own and through no fault of my company, Appleton Coated. My job was stolen because somebody broke the law and that's not right. The dumping of foreign paper into the United States, from companies that are subsidized by their own governments, creates a marketplace that seriously threatens my family and countless other families throughout the United States.

The ability to sell paper at a price that is less than the cost to produce it places our companies and families at a severe disadvantage. This kind of cheating hurts people like me and my family. It hurts the production workers on the floor and it hurts our managers too.

I have survived four layoffs - sometimes sales are bad and machines get shut down - I can live with that. But the illegal dumping of paper into the United States, and the capacity that it steals, is something that my union brothers, sisters, and I throughout the United States cannot survive.

Arthur [Signature]