

Phil Roe

Chairman Pinkert and members of the International Trade Commission, good morning and thank you for allowing me to testify here today. My name is Dr. Phil Roe and for the last seven years I have had the distinct honor of representing Tennessee's 1<sup>st</sup> Congressional District in the United States House of Representatives. As a representative, one of my highest priorities has been advancing policies that encourage economic growth and job creation in East Tennessee.

Downtown Kingsport, Tennessee has hosted a paper mill on the banks of the Holston River since 1916. Today, 100 years later, that paper mill is now owned by Domtar and is an important cog in the economic engine of the Tri-Cities. 335 men and women make some of the finest uncoated freesheet paper in this state of the art facility. The mill has some of the newest, most modern equipment of any mill in North America. This includes the only sulfur-free pulping process on the continent, making the operation compatible with nearby neighbors.

Locals at the mill refer to the sole paper machine in Kingsport as the "K1" machine. The machine is capable of producing 414,000 tons of printing and writing paper every year. Much of the paper produced in Kingsport is transferred a mile or two to a converting facility where large rolls of paper are converted into reams of sheeted paper suitable for printers and photocopiers. I am extremely proud that nearly 400 workers are located at these two sites in my district.

Domtar is one of the ten largest employers in Kingsport and has an annual direct economic impact of more than \$200 million. When applying commonly used economic multipliers, the "true" impact of this facility becomes extremely significant throughout our region.

I am very concerned, not only for my constituents, but more broadly the entire domestic industry, when foreign producers exploit trade practices to the detriment of U.S. workers. As I understand it, the case before the ITC

covers a critical segment of U.S. paper production, that involving uncoated freesheet paper that one would find in photocopiers, direct mail, office printers and more.

I am here today to urge you to make your earlier preliminary injury determinations against paper producers in Australia, Brazil, China, Indonesia and Portugal final. I strongly support free trade, but we must insist on a level playing field. Trade must not only be free, but fair.

It is clear the value of imports from producers in countries covered by this trade action significantly increased between 2012 and 2014. A preliminary determination imposing countervailing duties against producers in China and Indonesia, and anti-dumping duties against producers in Australia, Brazil, China, Indonesia and Portugal has helped to even out “the playing field” and allow for free and “fair” trade to resume. That is why I am such a strong supporter of having the preliminary determinations made permanent. Americans can compete—and thrive—in the global marketplace when trade is free and fair.

Across the United States tens of thousands of workers in the domestic paper industry have been displaced and there’s no question that unfair trading practices have been a major contributor to this displacement. I urge you to look at the facts uncovered in this investigation and ensure workers in Tennessee and elsewhere have the opportunity to compete freely and fairly in issuing your final determination.

Thank you for addressing this important issue and I look forward to your communication as these proceedings move forward.