

Testimony of Representative Reid J. Ribble
Uncoated Paper Antidumping and Countervailing Duty Investigations on Imports from Australia,
Brazil, China, Indonesia, and Portugal
701-TA-528-529 and 731-TA-1264-1268
January 7, 2016

Thank you Vice Chairman Pinkert and members of the Commission for the opportunity to testify before you today in support of the domestic uncoated paper industry and its workers.

As you know, I represent Northeastern Wisconsin, which is home to a robust forest products industry that employs over 54,000 people. Our paper manufacturers are among the most efficient in the world. Our workforce is well-trained with a strong work ethic. Moreover, our companies continually invest in themselves to compete in a changing global economy. But even the most efficient producers cannot prosper when the rules of trade are being broken.

As I said when I appeared before you two years ago in another trade case, I am a deep believer in free trade but I believe just as strongly that countries ought to play by the rules that they have agreed to with other nations without force and of their own choosing. When companies dump their products on our market or receive government subsidies, as is the case here, they are not playing by the rules.

My comments today are in support of a case brought by Domtar Corporation, Finch Paper, Glatfelter Company, the Packaging Corporation of America, and the United Steelworkers to obtain relief from rapidly increasing imports of certain uncoated paper products from five nations. As you may know, five paper mills in Wisconsin manufacture certain uncoated paper products, including the Neenah Paper mills in Appleton and Neenah. Each of these mills has a significant economic impact in their community, employing hundreds of workers.

I urge the Commission to vote in the affirmative when you make your final determinations next month on whether these companies and their workers have suffered material injury from the dumped exports from Australia, Brazil, China, Indonesia, and Portugal and the subsidized exports from China and Indonesia. I believe that government subsidies are incredibly inefficient and market distorting and are, unfortunately, a standard policy in many countries. Moreover, the dumping of products into the U.S. market below the sales prices in these five countries does further harm to the U.S. uncoated paper sector.

I believe that the data from your December Prehearing Staff Report makes the case for an affirmative decision in the antidumping cases on imports from Australia, Brazil, China, Indonesia, and Portugal and in the countervailing duty cases on imports from China and Indonesia. On the dumping side, the largest distortions are coming from China. The Department of Commerce has already made a preliminary determination of Chinese dumping margins of 97 percent to 193 percent. The other preliminary dumping margins are as high as 41 percent for Australia, 33 to 42 percent for Brazil, zero to 52 percent for Indonesia, and 30 percent for Portugal.

Additionally, the subsidy margins of six to 126 percent for China and a 43 to 131 percent for Indonesia cause a double hit on U.S producers of certain uncoated paper. Taken together, these numbers demonstrate that imports from these five nations are nowhere close to fair market pricing.

Recent data from this Commission indicates a significant surge in imports of certain uncoated paper products from these five nations, a 72 percent increase between 2012 and 2014. At the same time, overall U.S. demand for the product declined 5.6 percent.

Thank you for the chance to highlight the importance of a successful resolution of this case. The uncoated paper industry in my state of Wisconsin and across the country is fortunate to have U.S. antidumping and countervailing duty laws available to seek relief from egregious foreign trade behavior. I urge you to avail the industry and its workers of that relief with affirmative final determinations based on U.S. Department of Commerce and International Trade Commission data. Thank you again for the opportunity to testify.