

Testimony for Congressman Richard M. Nolan

U.S. International Trade Commission Public Hearing on ITC Investigations Nos. 701-TA-528-529 and 731-TA-1264-1268, January 7, 2016, 9:30am

Vice Chairman Pinkert, Members of the Commission, I am very pleased to be here today to express my strong support for the United Steelworkers (USW) and the companies in the U.S. paper industry in bringing these important trade cases against certain uncoated paper imports from five nations.

The evidence in your preliminary report is clear and unmistakable. Large paper producers from Australia, Brazil, China, Indonesia, and Portugal are undermining our domestic paper industry by illegally dumping their heavily subsidized products into our marketplace. They're doing so at sales prices far below their own markets and their own cost of production.

As a result, those nations are putting severe and unfair competitive pressure on American workers, American jobs and American manufacturers. In particular, the data shows that the nations of China and Indonesia are the worst offenders.

We need to level the playing field for the paper industry and its workers in Minnesota and across our nation. So I want to go on the record in favor of imposing countervailing duties on imports from China and Indonesia, as well as anti-dumping duties on imports from all five nations.

We need to aggressively enforce our trade laws so our manufacturing and agricultural sectors can compete fairly in the global marketplace. My Congressional district, which includes the heart of Minnesota's wood products industry, as well as the Iron Range, has been economically decimated by illegal and unfair trade practices that have led to rapidly rising imports in the paper, mining, steel, and other industrial sectors. In November, I announced my intention to introduce two measures to make it easier to remedy the situation.

On November 30, I introduced, H.R. 4130, the Support our Steelworkers Act of 2015, to impose a five-year ban on foreign steel imports. Five years should allow our

The fact is – so called “free trade” agreements have not worked for America or the American middle class. Quite the opposite - since NAFTA was passed in 1994, 57,000 American factories have been lost and more than five million American manufacturing jobs have disappeared.

Since 2000, more than 126 paper mills have closed and approximately 223,000 good-paying industry jobs have gone away in that time, including 3,800 jobs in Minnesota alone. In Minnesota we have seen in just the last few years paper mill closings in Brainerd and Sartell, as well as hundreds of layoffs in Cloquet, International Falls and Duluth.

Trade policy must do a far better job on enforcement, tackling barriers to U.S. exports, combating dumping of products into our market and dismantling massive foreign government subsidies. And I am so grateful for this Commission for your hard work and dedication in helping to enforce our trade laws and put an end to illegal trade practices.

Whether or not one supports free trade agreements, at minimum, we can all agree that our agreements must be fair, as well as firmly enforced.

As you know, the “certain uncoated paper” products in question today include uncoated copier and printer paper in standard sizes, as well as uncoated paper for commercial printing in a wide variety of sizes.

I am proud to note that this paper is manufactured by USW workers in my district in the town of International Falls, in Northern Minnesota along the Canadian border. International Falls was incorporated in 1909, just one year before the original paper mill opened – and the history of the mill has paralleled the history of the town ever since.

Today, the Packaging Corporation of America plant in International Falls employs about 580 people, and it continues to be the largest employer in this town of 6,100.

And of course, the economic benefits of the plant on the community are even greater. In fact, the plant supports more than 1000 indirect jobs. These jobs are in

We all know the problem with the Asian economic model where basic market principles are ignored. Companies offload their excess production by dumping product in attractive markets like the U.S. And Asian government subsidies boost production far beyond what the marketplace would ordinarily bear. All of this in a wide variety of industrial sectors lead to large and glaring global overcapacity in industries ranging from aluminum to paper to steel to even cutting edge energy sectors like wind and solar.

There is a better way. Trade cases brought and won against offending companies and countries in key sectors like paper can restore a balanced and level playing field internationally.

So, I am glad that a coalition of the USW and several companies are fighting back in this sector. The companies include Domtar Corporation, Finch Paper, Glatfelter Company and of course the Packaging Corporation of America. They rightly took the legal recourse they have and filed antidumping cases against five nations and filed a countervailing duty case against two nations at the ITC and the Commerce Department. I am so pleased that labor and management are united in aggressively pursuing this cause in the paper industry that is vital to the livelihood of small communities across the country like International Falls.

I appreciate that you have carefully reviewed the evidence and issued a preliminary affirmative decision in March 2015 that began to impose duties. And that your Commerce colleagues have made preliminary determinations of dumping and subsidization with their final determinations due out today I believe.

In my view, the record before the Commission in these final investigations will support affirmative final determinations in these cases by the Commission in February. The very survival of this industry and the communities across the country it supports may well ride on your decision.

I really appreciated the opportunity to testify today and am happy to answer any questions which you might have.