

**BEFORE THE
UNITED STATES INTERNATIONAL TRADE COMMISSION**

In The Matter Of :

Certain Woven Electric Blankets
From The People's Republic of China

Investigation No.

731-TA-1163 (Final)

Testimony of Paul Powers

Good morning, my name is Paul Powers and I am Senior Vice President and General Manager of the Personal Comfort and Wellness Business at Jarden Consumer Solutions. I joined Jarden after my previous employer was acquired by Jarden in 2005. I have been in the consumer products business for over 20 years, on the selling and marketing and manufacturing side as well as on the retail side as a buyer and merchandise manager.

I would like to thank the Commissioners for the opportunity to appear before you today.

As General Manager of the Personal Comfort and Wellness business, I am responsible for 10 businesses worth over \$500m in sales. These businesses range from Beauty and Barber products to Pet grooming products to portable Fans, Heaters and Air cleaners to Heating Pads and Scales, all under well known household brand names like Sunbeam, Holmes, Oster, Health O Meter, Bionaire and Lakewood.

My responsibilities also include our US manufacturing facilities, including our woven electric blanket facility in Waynesboro, Mississippi, which is what we are here to talk about today.

Sunbeam began making heated blankets in Waynesboro over 50 years ago. During those years, we have been the largest manufacturer and marketer of woven electric blankets in the world. Today, to my knowledge, we are the only remaining producer in the US. Our Waynesboro facility still produces all of the woven electric blankets that we sell.

As you might imagine, the market has changed dramatically over those 50 years. And in that time frame, most of our competition has made the business decision to move all of their production overseas, leaving behind the factories and the communities that once relied on their commerce.

As the leader in this business, Sunbeam has, over its history, evaluated this same decision many times. And every time, we made the decision to continue to invest in US production.

The primary reason for this is that whenever we do the analysis, we find that we cannot import a woven blanket for lower cost than we can build in Waynesboro. But another big part of the reason is the people in Waynesboro. Every time we asked our Waynesboro team to adjust, to react, to realign toward new market conditions, they have done so with a level of professionalism and

dedication that is rare in any business at any level. I can tell you that over my career, I have visited literally dozens of factories in multiple industries all over the world, including throughout Asia. When I first visited Waynesboro and got a chance to spend time with our employees there, I can honestly tell you that I have never experienced anything like it. The enthusiasm for what they do. The pride that they take in being the best. Generations of families working together. In my conversations with the people there, I never heard a complaint – only “How can we do better?” Those kinds of employees are absolutely invaluable.

It became clear to me why Sunbeam had decided over the years to keep Waynesboro as part of our team. It was simply good business.

And they are good people, too. Beyond the obvious business advantages, you just can't help seeing the people themselves. People who care about each other. People who have donated tens of thousands of dollars to our community fund charity, made up of voluntary contributions, including this year \$25,000 to the American Cancer Society, \$5000 to the Red Cross, \$5000 to Rock Solid which is a local organization focused on adolescents performing charity work for senior citizens in the Waynesboro area, and \$5000 to the Domestic Abuse Center of Laurel, Mississippi.

The bottom line for us is that the combination of this experienced and dedicated workforce, along with our proprietary technology and unique

manufacturing process, enables us to make the highest quality, safest and most efficiently produced blanket on the market. Add to that the ability to react to highly seasonal and weather dependent demand, and our US manufacturing is a real competitive advantage for us and we feel that it allows us to compete with anyone in the world.

That is, unless that competition is unfair.

As a former retailer, I understand the pressure that the big stores and their buyers are under. They experience acute pressure to bring in more customers, to drive down prices, to improve their profitability. So acute that now buyers often make decisions solely on price.

Unfortunately, unscrupulous competitors can use this price pressure to their advantage. Selling commodity products at unfair and dumped prices for a period of time can force other competitors to exit these businesses, that through no fault of their own, have become unprofitable and unsustainable.

We, at Sunbeam, experience this pressure as a way a life in all of our businesses and we are always looking for ways to reduce our costs so that we can remain competitive. We have done every reasonable thing we can to compete with the dumped imports. We have reengineered our products and processes, worked with our suppliers to source lower cost components, found new lower cost sources of raw materials and we are now attempting to produce counter-seasonal products

in the factory. Reluctantly we have been forced to reduce hours and, recently, to offer an early retirement program to our Waynesboro employees in an effort to reduce overhead as our volume of woven electric blankets have dropped.

Another recent example of the lengths to which we are forced to go to combat the impact of unfair import pricing on woven blankets is the addition of fleece blanket production capacity in Waynesboro.

Because we were unable to match the low prices of woven product offered by the importers, we turned the factory upside down and invested in equipment to add the capability to produce fleece blanket subassemblies in Waynesboro. This allowed us to 1) help a major customer differentiate from the increasingly low retail price in wovens created by the importers and 2) maintain critical manufacturing volume in Waynesboro.

Our reductions in employment have been tough on the Waynesboro and surrounding Southern Mississippi communities, but are nothing compared to the devastating effects should we have to close the facility as a result of unfair price competition from dumped imports. And, unfortunately, even these measures have not been enough to avoid significant negative impact to our business. We continue to lose major customers based on price, putting extreme pressure on the business financials.

In addition to the short term measures that we are taking to fight against unfair pricing, our long term investment plans are being disrupted as well. Lower profits mean less money to invest in plant and equipment, new product development and marketing support. This further erodes our ability to compete and our long term business prospects.

So this is why we are here today: To ask the Commission for help in restoring fair competition to the US market by creating a level playing field in the market for woven electric blankets.

I thank you for your time and attention.