

**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 Mark Sullivan

Good morning. My name is Mark Sullivan. I am the Plant Manager at the Waynesboro, Mississippi plant of Jarden Consumer Solutions. I have been with Jarden for 23 years and at the Waynesboro plant for 12 of those years. I am very pleased to be back here this morning and am here to tell you a bit about woven electric blankets and how they are made.

All of our woven electric blankets are produced in the Waynesboro plant. Our plant occupies about 15 acres of land and until the Chinese imports entered the market, had close to 450 full time employees. During the peak packaging season, we have employed up to 550 workers of which approximately 150 individuals are seasonal employees. In addition, we also employ approximately 85 employees in Hattiesburg, Mississippi in a number of back office functions (ex: accounts payable, accounts receivable, and customer service) which rely upon the Waynesboro operations. We are the one of the largest employers in this area of Mississippi.

Woven electric blankets are basically composed of a fabric shell, made of synthetic, a blend of synthetic or sometimes natural fiber, heat-producing wire which temperature is controlled by one or more thermostats, the heating element itself or controllers. Like regular blankets, woven electric blankets come in several sizes, such as twin, full, queen and king. We also make heated throws, which are of a smaller size than the blankets.

While the product may look simple, the production process is much more complex and capital-intensive than just simply inserting wire into a fabric shell. The manufacturing process of woven electric blankets includes five basic phases: (1) napping; (2) treating; (3) wire insertion; (4) assembly and finishing; and (5) packaging.

First, the napping phase refers to the processing of the fabric shell to give it a soft texture. We buy the woven fabric from a mill in South Carolina. The fabric comes in large rolls, in different widths for the appropriate blanket size. They are pre-formed into what is referred to as a blanket shell, which consists of two sheets of fabric that incorporate specifically engineered channels designed to accommodate the electric blanket's wiring. The rolls of shells are fed to the napping machine, where the fabric passes through a series of concentric rollers covered with sharp napping wire. The napping imparts a "hand" and soft texture to the shell fabric.

Second, the fabric is coated with a finishing chemical to improve the appearance of the blanket surface. Because the napping process reduces the size of the fabric, the shell is also stretched back to the appropriate blanket width.

Next, the wire is inserted into the blanket. At Jarden, the wiring is done through a semi-automated process which is a specially designed system developed and patented by Jarden. We also internally produce the wire, which is made of a copper-alloy core assembly and thermoplastic outer layers. The wire is manufactured in a proprietary process that we developed and patented. Unlike our competition, we have what is known as PTC wire, which stands for positive temperature coefficient wire. The advantage of PTC wire is that it provides local vs. global control. {discuss technology}

The blanket is then ready for the assembly and finishing stage. A regulatory approval label is first applied to the shell. The ends of the wire are then terminated to a module board. A plastic housing is placed around the module board and the blanket is subsequently tested for wattage and performance. After this, the blanket is finished by sewing the trim and the edge. It is again tested for appropriate dielectric properties.

As some of the Commission staff have seen, the blanket is tested multiple times for safety and proper performance. People use these products when they are asleep. We have to make sure they are absolutely safe. We are proud to say that

we have not had any product recalls or safety issues since we started moving the PTC wire operations to Waynesboro, which was in 1997.

Finally, the blanket is placed in large boxes which are packed for inventory purposes. When an order is received, the blanket is placed with the appropriate controller, packed with an instruction manual and readied for final shipment to the customer.

As Mr. Powers mentioned, we have been making electric blankets at the Waynesboro plant for over 50 years. Without a doubt, the reason that we have been in business for so long is because of the dedication of our employees and our focus on improving our technology and efficiency. Every day, we look at what we do and constantly invest in making our blankets faster and better. Much of our process is patented. We honestly believe that we run the best and the most efficient electrically heated bedding plant in the world.

We can compete with anyone as long as our competition is fair. Unfortunately, dumped Chinese imports have taken away many of our large customers. As a result, our production has been cut back drastically. Right now, we are doing everything we can to keep the plant running and keep as many of our employees working as possible. As Mr. Powers has mentioned, we have started making box fans and also started making sub-assemblies of knit electric blankets. These efforts have not been without difficulty. The majority of our equipment for

woven electric blankets cannot be used to produce other types of electric blankets. We had to spend substantial amount of money and effort to buy new equipment and modify some of our existing equipment. However, even after these efforts, we are able to perform only a portion of the production process for knit electric blankets in Waynesboro. Because most of our equipment is specially designed for and dedicated to producing woven electric blankets, much of our plant is idle today. I estimate that we are running at only about 30% capacity.

Earlier this year, we had to take the painful step of laying off about 60 of our full-time employees. There are very limited job opportunities in the south-central Mississippi area where Waynesboro is located. These layoffs have really hurt our community.

I am afraid that these layoffs may not be the last, unless we get some relief from these unfairly traded imports. On behalf of all the employees and the larger community at Waynesboro, we respectfully ask the Commission to help us by restoring fair competition to the U.S. marketplace.

Thank you and I am happy to answer any questions that you may have.