

TESTIMONY OF CRAIG MARTIN
Of INTERTAPE POLYMER GROUP
BEFORE THE U.S. INTERNATIONAL TRADE COMMISSION
JANUARY 14, 2010

Good Morning. I am Craig Martin and I am Senior Vice President for Marketing of Intertape Polymer Group. In my position I am responsible for Corporate Marketing, Product Management, Market Segmentation and Strategic Planning.

IPG fully supports the position stated by 3M and Shurtape and believes that there would be a recurrence of material injury to the domestic industry if the dumping order were lifted here. I want to talk a bit about our company and why we have come to that conclusion.

IPG today is one of the three major U.S. producers of pressure sensitive tape with total employment of over 2,000. We have our U.S. headquarters in Bradenton, Florida, and our largest plant producing the subject merchandise is in Danville, Virginia. We also have a plant in Richmond, Kentucky that some of the Commissioners visited. We also have six other locations in the US. Our company has grown largely through a number of acquisitions over the past 10 years to become one of the major players in the market today. We produce hot melt, acrylic, and natural rubber tapes that are subject to this case. We are the only

U.S. producer here today that produces the natural rubber product. For our natural rubber product we just invested in our Brighton, CO plant to increase our capacity to fill overall demand.

In our questionnaire response we identified natural rubber as being the first place that will feel the impact of Italian imports if the order is lifted. We said this because Italy is a major producer of rubber product, and it has excess capacity. So from our point of view that will be the first product that we will feel the effect. However, we also believe that the Italian producers, with their excess capacity of hot melt product, also will re-enter the U.S. market with that product quite quickly also.

IPG and as well as the industry, has a great deal of experience in purchasing machinery from Italy for its production. Because our executives often travel to Italy to purchase machinery and have bought subject merchandise for our U.S. markets in the past, we know the situation in Italy well. Conversely the Italian companies are also traveling to the US to support the purchases of their machinery; therefore they understand the overall opportunity in market share here in the US. We strongly believe that the estimate provided in our brief, of 5 billion square meters of capacity, is if anything too conservative. If the production in Italy is about 3 billion square meters, this leaves 2 Billion square

meters available for the United States. The level of technology coming out of Italy on their machinery and tape products means that they can compete in overall quality vs US made products.

IPG has made great strides in making our plants more efficient over the years since we consolidated the companies. We have done this through the purchase of some new machinery, but also have done so by using our people more efficiently and having better inventory control. But all of this hard work and our recent successes can disappear very quickly if this renewed source of dumped and low-priced tape from Italy enters the United States. That will happen because the current channels of distribution system, private label opportunities and the sophistication of the Italian producers make it very easy for them to re-enter this market. The overall barriers to entry and accessing the market will require very limited U.S. investment, such as sales leadership, marketing and overall resources. They would easily outsource any or all of these functions, therefore keeping their overall cost and investments to a minimum.

The U.S. market for pressure sensitive tape is largely a commodity market and has become even more competitive on the low end recently because of the Asian suppliers. As Rick mentioned, same as 3M, we at IPG decided to move our Acrylic tape production back to the US from China, again to help cover our fixed

costs from capacity utilization. The last thing that we need in the U.S. industry is to have the high end of the market being devastated by dumped Italian product. We do not believe that the Italian industry has any other market that is nearly as attractive as the United States. Without the existence of a dumping order we believe that we will be squeezed at the low end of the market by the Asian producers, and squeezed at the high end of the market by the Italians.