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**Testimony of Christopher Munyan  
President and Chief Executive Officer, Berwick Offray, LLC**

Good morning. My name is Chris Munyan and I'm the President and CEO of Berwick Offray, LLC. I've worked for Berwick Offray, its affiliates or its parent company CSS Industries since 1993. This year marks my 25<sup>th</sup> anniversary. That may seem like a long time. It certainly does to me. But, in reality, I'm just the current caretaker of an American ribbon-making tradition stretching back over 140 years, two world wars, the Great Depression, the Great Recession, and the often-foretold death of American manufacturing. Today, we are the last major remaining American producer of plastic decorative ribbon, the type of ribbon at issue in this investigation. And I'm here today to do my best to make sure this tradition continues. For our industry has been injured by unfairly traded imports from China, and we seek relief.

Berwick Offray is an American ribbon company with our roots stretching back to the 19<sup>th</sup> Century, when a 17-year-old French fabric designer set up shop in New York as C.M. Offray and Son. They would become a major U.S. manufacturer of woven ribbon. Berwick Industries, our other namesake, started right after WWII by using excess silk parachute material left over from the war that was slit, dyed and rolled into ribbon.

In fact, it was only the beginning of a 50-year legacy as the industry leader. Over the years, we grew from a small cutting factory to a large employer with multiple facilities in the rural town of Berwick, PA. We were the first to produce embossed plastic ribbon that is still used today in the floral industry. We expanded our product lines over the years with the addition of colors, finishes and substrates all to make that present more special.

Our machinists and engineers designed, built, and modified the equipment to make these different types of ribbons. Our graphic artists designed the PDR products to make them successful in the marketplace. Our workforce produced these ribbons at the highest level of quality, beginning production in January for the Holiday Season 10 months away. Berwick Offray created the plastic decorative ribbon market and has been its leader ever since. The innovation continues today. Over the years, our products have decorated hundreds of millions of wrapped packages.

As you will hear later, we are a completely vertically integrated producer beginning with clear polypropylene pellets and ending with a myriad of ribbons and bows in various sizes and design features from metallic surfaces to holographic finishes. Each of these design features is produced in-house based on years of investments in equipment, modifications to machinery by our production engineers, and refinements to the manufacturing process. There is both art and science to ribbon making and we are fully committed to both. We do this so that our customers, the major retail chains, and their customers, the American consumer, have the best possible selection at the best possible price.

In our tradition of innovation, and as a commitment to our company, our U.S. workers, and our community, we purchased Hollywood Ribbon in 2015. Hollywood Ribbon was an American company with the vast majority of its workforce located in Mexico. Our plan, years in the making, was to move Hollywood's production to the Berwick, Pennsylvania. It worked. Due to the successful onshoring of Hollywood Ribbon production, Berwick Offray's PDR operations experienced positive changes to its trade, financial, and employment indicators between 2014

and 2015. We created jobs *and* profits in the United States, a testament to the American manufacturing worker.

But what followed was a surge in unfairly traded, low-priced imports and that is why we are here today. Both the company and its employees have suffered. The increase in our production from the Hollywood acquisition was short lived as shipments, sales, and market share suffered within one year of the acquisition. We have been undersold. Our customer base and volume substantially eroded. Our financial performance in the plastic decorative ribbon business suffered. Many of the employees hired after the Hollywood acquisition have lost their jobs because of sales lost to unfair Chinese competition. We have been injured by unfairly traded ribbon imports from China and we are threatened with even greater injury in the future.

Plastic ribbon products are used for holiday and life events, with most product used for Christmas and birthdays. Our sales are mainly to large retail customers that order “programs” that bundle a wide variety of ribbon products. Because of the concentration of retail customers, the loss of a single program or a meaningful share of a single program can have large negative effects on our plastic ribbon business. And, as with many consumer products, both the wholesale and retail customers have become more price-focused with large retailers exerting particular price pressure. In such an environment, any increases in material costs are difficult to pass through to price. The acquisition of Hollywood has made the company’s return on investment more vulnerable. Finally, the U.S. ribbons market appears to be the most attractive export market for Chinese producers. All of the factors have made us even more susceptible and vulnerable to the unfair imports from China.

Unfortunately, we see no end of the surge in dumped and subsidized Chinese imports and the injury they have caused without continued relief. Chinese producers are active in the market. Import volumes, already high, will increase without relief. Internet offers are increasing at a rapid rate as retail buyers and consumers look to Chinese prices on the internet as a benchmark. There are over 80 different sellers on Amazon.com sourcing ribbon from China. If you search “plastic ribbon” on Alibaba you will find over 70,000 listings from China producers. The future threat to our business will only increase driven by low dumped prices and growing capacity from motivated Chinese producers.

We have seen positive benefits to our business since the filing of the petition. In 2018, we were able to secure new business. Our output increased, we expanded employment, and re-shored production from imports. This new business would vanish in the absence of an order. In fact, if not for the order, 2018 would have been a disastrous year. We would have lost substantial share and price.

We believe that the Commission, when presented with these facts, will understand that Chinese imports have injured and threaten to injure domestic ribbon producers. We have assembled a team that can answer your questions about the production, marketing, sales, and financial structure of our company and the industry. On behalf of the Berwick Offray family --- its production workers, machinists, engineers, designers, marketing team, management, and their families – we respectfully ask that you consider the record assembled by the staff and reach an affirmative determination. We ask you to help us continue on this 140-year American tradition.

Thank you.