

Testimony of Congressman Michael R. Turner
Representing Ohio Third Congressional District
Submitted to the U.S. International Trade Commission
Regarding the Investigation of Lightweight Thermal Paper from China and Germany
(Inv. Nos. 701-TA-451 and 731-TA-1126-1127 (Final))
October 2, 2008

Chairman Aranoff and members of the Commission, I appreciate the opportunity to testify before the Commission today regarding this important investigation covering the import of lightweight thermal paper from China and Germany.

Madame Chairman, I also want to recognize the Appleton employees who have travelled from Ohio witness today's hearing. Many of these employees, members of the United Steelworkers, traveled to show the Commission their support for a favorable determination on this issue, and to show the importance of such a finding on their local economies. These employees have a truly vested interest in today's proceedings, not only because they work at Appleton, but because Appleton is 100% employee owned.

Madame Chairman, Appleton Papers is an important employer in my Congressional District, the 3rd Congressional District of Ohio. In fact, Appleton employs nearly 500 people (471 exactly) in the State of Ohio, mainly at their West Carrollton mill.

In August, I had the honor of attending the ribbon cutting for Appleton's new thermal coater at its West Carrollton, Ohio mill. Appleton's \$125 million investment in this upgrade underlines the company's firm commitment to provide the highest quality products to its customers, and to producing in the United States. This new investment in the West Carrollton facility promises to bring new jobs to Appleton, and further increase Appleton's competitiveness in the global marketplace.

The manufacturing economy in Ohio and throughout the Midwest is struggling against unfair competition. It has been reported that since 1998, Ohio has lost over 250 thousand manufacturing jobs, and unemployment has increased from 3.9 percent in 2000 to 6.6 percent in June of this year. Recently, my district lost several Delphi Corporation manufacturing facilities as a result of their bankruptcy, as well as a major General Motors assembly plant. These plant closures have had a ripple effect on our local economy, causing small businesses to close, putting a strain on social services, and resulting in the loss of needed tax revenue for local governments.

Instead of taking jobs overseas, as many companies have done, Appleton has not gone the way of outsourcing, and has decided to increase their investment in the United States. This is critical to the economy of Ohio and to my district in particular.

This new investment is particularly important in light of recent developments with overseas imports of lightweight thermal paper. It is my understanding that the volume of paper imports from China and Germany are very large and continue to grow. Additionally, I have been told that imports from these countries have undersold U.S. producers' prices and that this has resulted in a significant number of lost sales for domestic companies.

The Department of Commerce has issued its final determination that paper imports from China and Germany are being dumped in our market and that the Chinese government is providing significant subsidies to thermal paper producers in China. It is imperative that the ITC also make a determination that these illegal subsidies cause material harm to the U.S. industry, and apply duties accordingly. This will help to offset the unfair advantage that these practices give foreign competitors.

Unlike other parts of the paper market, I have been told that the market for thermal paper is growing because of the popularity of using thermal paper for point-of-sale receipts. Appleton has been at the forefront of developing the coating technology that enabled the development of this type of thermal paper. However, unfair imports have prevented Appleton, and the only other U.S. producer, Kanzaki, from benefiting from expanding demand, and from the innovations they have brought to the market. Without relief from these unfairly-subsidized imports, Appleton's investment in West Carrollton is in jeopardy, as well as their presence as a U.S. paper manufacturer.

Madame Chairman, our government should be in the position of rewarding innovation, protecting domestic industry from unfair trade practices, and fostering businesses like Appleton so that they can continue to be a leader in the global marketplace. Madame Chairman, when the playing field is leveled, workforces like those at the Appleton facility in West Carrollton can thrive, and companies like Appleton can compete globally. We cannot allow these unfair trade practices to continue, and I urge you to make an affirmative decision in this investigation.

Thank you.