



COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE GOVERNOR  
HARRISBURG

THE GOVERNOR

September 30, 2008

The Honorable Shara L. Aranoff  
Chairman  
United States International Trade Commission  
500 E Street, SW  
Washington, DC 20436

Re: *Lightweight Thermal Paper from China and Germany*  
Investigation Nos. 701-TA-451 and 731-TA-1126-1127 (Final)

Dear Chairman Aranoff:

I am writing you on behalf of Appleton Papers, Inc. regarding the International Trade Commission's investigation of lightweight thermal paper (LWTP) imports from China and Germany. I am gratified that the Commission's preliminary investigation in this matter confirmed allegations raised by the domestic industry that Chinese and German enterprises have been improperly dumping LWTP in the United States and that the Government of China has been illegally subsidizing the Chinese production of LWTP. These actions threaten significant injury to America's paper producers and, left unremedied, could result in significant job losses in at least three states at a time when the nation's economy and capital markets are facing historic pressure.

Appleton Papers, an employee-owned company, operates manufacturing plants in Appleton, Wisconsin, West Carrollton, Ohio, and Roaring Springs, Pennsylvania. These facilities provide hundreds of workers with good, high-paying jobs, and each plays a key role in the economy. Appleton's Pennsylvania operations each year pay out over \$30 million dollars in wages and benefits to 500 highly-skilled Pennsylvania workers and their families, purchase \$70 million dollars worth of equipment and material from local and regional suppliers, and contribute millions more in payroll and tax payments. If Appleton were thus required to shutter or reduce its operations at any of its facilities as a result of unchecked unfair foreign competition, the Pennsylvania economy would incur hundreds of millions of dollars in direct and indirect costs.

Ms. Chairman, during the past several years, both Pennsylvania and firms like Appleton have taken the hard, but necessary steps that we need to retool and remain competitive in today's global economy. During the past six years, Pennsylvania has implemented a \$2.8 billion stimulus plan aimed at revitalizing the state's job market, bolstering business growth, and sustaining our communities. Much of this investment has allowed our companies to upgrade productivity by introducing new technology. Appleton has likewise invested hundreds of millions of dollars in new plants, property, and equipment to ensure that it, and its workers, can

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continue to compete against its increasingly sophisticated competitors. These efforts should not be allowed to be undermined by competitors that receive illegal government subsidies and seek to take unfair advantage of the domestic market by dumping their products in the U.S. The nation's unfair trade laws were designed for the very purpose of countering this type of improper conduct and to ensure that all competitors are placed on an equal footing.

It is my understanding that little has changed in this investigation since the Commission issued its preliminary injury determination. This is particularly true in light of the fact that the Commerce Department's final determination recently concluded that (1) Chinese and German LWTP firms are dumping their products in the U.S. at margins as high as 115 percent, and (2) the Chinese Government has been providing subsidies to Chinese LWTP firms at rates up to 137 percent. I also understand that the foreign producers in this proceeding have continued to export LWTP to the U.S. at increasingly lower prices, despite the continued depreciation of the U.S. dollar against many foreign currencies, including the Euro.

Given this, and the importance of this issue to Pennsylvania, I urge you in the strongest possible terms to continue to provide every consideration to Appleton Papers during the final stage of this investigation. I remain confident that, once the entire record of this case is reviewed, all indicators will confirm that the U.S. lightweight thermal paper industry is being materially injured, or threatened with material injury.

Thank you for the opportunity to express my views on this issue.

Sincerely,



Edward G. Rendell  
Governor

cc: Daniel L. Pearson, Vice Chairman  
Deana Tanner Okun, Commissioner  
Charlotte Lane, Commissioner  
Irving A. Williamson, Commissioner  
Dean A. Pinkert, Commissioner