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COMMITTEES:  
APPROPRIATIONS  
BUDGET  
HEALTH, EDUCATION,  
LABOR, AND PENSIONS  
HOMELAND SECURITY  
AND GOVERNMENTAL AFFAIRS

## **Testimony of Senator Tammy Baldwin Submitted for the Record in Support of Certain Uncoated Paper Antidumping and Countervailing Duty Cases on Imports from Australia, Brazil, China, Indonesia, and Portugal**

### **U.S. International Trade Commission Public Hearing on ITC Investigations Nos. 701-TA-528-529 and 731-TA-1264-1268.**

Chairman Broadbent and Members of the Commission, thank you for the opportunity to submit the following testimony in support of the petition filed by the United Steelworkers (USW) as well as Domtar Corporation on January 21, 2015 to seek relief from unfair imports of certain uncoated paper products from China, Australia, Brazil, Indonesia, and Portugal.

In Wisconsin, we have one of the largest manufacturing sectors in the nation, supporting a large share of our workforce and exporting goods all over America and the world. Many of the goods that the manufacturing sector produces are trade-sensitive, meaning that similar products are available to be imported from abroad. The rules governing these trades are understood by all of our trading partners, but the high stakes of international competition can tempt our competitors to tip the scales in their favor.

Paper is one trade-sensitive industry that has suffered greatly from foreign companies and governments cheating the rules of trade. Since 2012, foreign competition has largely contributed to the loss of more than 2,500 paper industry jobs in the U.S. In a difficult paper market, foreign producers are still able to increase their market share due to aggressive underselling. This evidence is demonstrated clearly in the Commission's pre-hearing report from March 2015.

Led by China, these five countries are dumping uncoated paper into the U.S. market at prices almost 200 percent below domestic prices. The dumping is widespread—found in over 60 percent of cases investigated. Most worrying, dumping cases are expected to get worse before they get better, as China's domestic consumption slows and foreign producers look for other markets.

As the nation's leading paper producer, and a top manufacturer, Wisconsin stands to lose the most when foreign companies cheat. The paper and forest products industries in Wisconsin employ more than 52,000 workers. Of those, more than half are high-wage jobs. The unfair foreign competition presented in this case has a direct link not only to the national manufacturing crisis, but also the wage stagnation that has plagued my state for some time. As high-wage manufacturing jobs are lost to unfair foreign competition, they are often replaced by low-wage jobs.

The workers whose jobs are on the line produce uncoated paper in six Wisconsin mills: the Domtar mills in Nekoosa and Rothschild; the Flambeau River mill in Park Falls; and the Neenah Paper mills in Appleton, Neenah, and Stevens Point. When these workers compete on a level playing field, more often than not, they win. I ask that the Commission ensure that the workers at these mills receive a fair shot to compete with paper producers across the world.

The ITC plays a critical role in trade enforcement. I urge you to use that role to impose duties in these cases to combat the unfair trade which is so evident in your data. Effective use of our nation's trade remedy laws is vital to the long-term survival of Wisconsin's paper industry—on whose behalf I submit this testimony. I appreciate the work you have done on this case; I encourage you to fully consider the impact of the dumping on Wisconsin families; and I thank you for your service on this important Commission.

Sincerely,

  
Tammy Baldwin  
United States Senator