

**Testimony of the Honorable Michael R. Turner
Representing Ohio's Tenth Congressional District
Before the U.S. International Trade Commission
Regarding the Sunset Review of Lightweight Thermal Paper
From China and Germany
(701-TA-451 and 731-TA-1126-1127 (Review))
October 30, 2014**

Chairman Broadbent and members of the Commission, thank you for the opportunity to be with you today. As you know, I testified before the commission in 2008 on the original thermal paper investigation. I thank you for that decision to help level the playing field for U.S. workers, especially those in my Southwest Ohio community, in the face of unfair trade practices. Today, I urge the Commission to keep the antidumping and countervailing duties in place for another five years.

At this time, I would like to recognize the Appvion employees who have traveled from Ohio to witness today's hearing. These employees are all United Steelworkers (USW) members and are here to show their support for continuation of the orders on thermal paper from China and Germany.

In 2008, Appleton Papers, now Appvion, made an investment in its own future by spending \$100 million on a new state-of-the-art thermal coater at its mill in West Carrollton, Ohio, which is in my Congressional District. I had the honor of attending the ribbon cutting ceremony for the new coater in August of 2008. This initiative greatly increased Appvion's competitiveness and resulted in the creation of hundreds of new jobs in a part of our state that has faced significant challenges in recent years.

However, Appvion knew that this significant investment could only be successful if the domestic market was not once again plagued with dumped and subsidized imports. Chinese and German unfair trade practices drove prices down to unprofitable levels, jeopardizing the very viability of this investment. I felt strongly then, and continue to feel strongly today, that we must ensure that companies like Appvion, which increased its investment and commitment to manufacturing in America, are afforded the protections that are available under our trade laws.

The antidumping and countervailing duty orders on thermal paper have done what they were intended to do. As a result of the duties, pricing for point-of-sale paper has returned to more normal levels, which has allowed Appvion to improve its sales and profitability. The market discipline afforded by the orders allowed Appvion to fully ramp up the West Carrollton coater in a market that was not distorted by unfair trade.

I would point out, however, that it would be very easy for the market to deteriorate if the duties were removed at this juncture. Imports of thermal paper from China and Germany continue to undersell U.S. producers. I understand that Chinese producers frequently try to bring products into this market while evading the duties. That just demonstrates the lengths to which importers will go to bring in cheap products. Moreover, the threat from China to the U.S. thermal paper market has only grown since 2008, as in the interim, China has more than doubled its capacity to produce thermal paper. The primary Germany producer, Koehler, withdrew from the market after the Commerce Department uncovered a fraud scheme and increased the duties. Those duties were subsequently reduced, and now Koehler is back in the U.S. market employing its old pricing practices.

Madame Chairman, this is not the time to eliminate the antidumping and countervailing duty orders. Good manufacturing jobs in Ohio are dependent on Appvion being able to continue to operate in a fair trade environment.

I thank you for your time and consideration of my remarks here today.