

HEARING TESTIMONY OF SENATOR ANGUS S. KING, JR BEFORE THE U.S.
INTERNATIONAL TRADE COMMISSION

Supercalendered Paper from Canada, 701-TA-530 (Final)

October 22, 2015

Madam Chairman and Members of the Commission, thank you for allowing me to speak today in support of the U.S. supercalendered paper industry as part of the ongoing investigation into imports of supercalendered paper from Canada.

I appreciate the opportunity to help explain this industry's importance to a key company and community in Maine, both of which – I believe - have suffered economic injury as a result of the Government of Canada's and provincial governments' decisions to confer unfair and illegal subsidies.

The outcome of this case is important to Madison Paper Industries, in Madison, ME, a company that has been operating as a cornerstone employer in rural Somerset County since 1978. When I visited the Madison paper mill earlier this month, I had the opportunity to learn more about the mill's operations as well as speak with some of the 220 hard-working men and women who depend on the mill as their primary employer. The mill workers in Madison are talented, dedicated, open to challenges, and innovative; in short, they are part of a proud paper-making community and tradition in Maine, which – as our state's largest industry - employs over 17,000 individuals in direct or ancillary professions and contributes more than \$113 million to the tax base each year.

The workforce at Madison is also justifiably frustrated with the conditions under which they're effectively being asked to compete for business. When the Government of Nova Scotia rescued the Port Hawkesbury Paper mill from closure in October 2012, it brought a large, previously unprofitable supercalendered paper mill back onto the market that would not otherwise be there if not for the government's substantial assistance.

The Department of Commerce found, in its final subsidy determination, that nine programs administered by the Government of Nova Scotia confer countervailable subsidies to the Port Hawkesbury mill. Your preliminary report notes that prices for supercalendered paper declined from 2012 through 2014. The October 2012 re-opening of the Port Hawkesbury mill – which was only made possible by illegal and unfair subsidies provided by the Government of Nova Scotia to the mill's new owners – appears to be directly linked to downward price pressures on supercalendered paper.

Even in a rapidly changing market environment, Madison's workers – any of Maine's paper mill workers, in fact - can compete and win. But they require a level playing field and the strong enforcement of fair trade practices. On that note, I believe that the strong enforcement of fair trade practices also means ensuring that antidumping and countervailing investigations are conducted in a thorough, fair and fact-based manner. I was disappointed that the Department of Commerce chose, as part of this investigation, to investigate only two of the four Canadian

supercalendered paper producers – a decision which will likely negatively and unfairly impact two important businesses with significant operations in Maine.

Nonetheless, your Commission's hard work and final decision confirming injury by reason of imports will be an important step toward providing the relief that Madison Paper and other domestic supercalendered paper producers deserve. On behalf of all Maine paper mill workers, I appreciate your attention to this matter.