

CITIZEN TRADE POLICY COMMISSION MEETING

March 19, 2010

Summary

Members Attending: Sen. Troy Jackson; Chair; Sen. Stan Gerzofsky, Sen. Roger Sherman, Rep. Sharon Treat, Rep. Jeffrey Gifford; Sarah Bigney, Paul Volckhausen, Michael Roland, Michael Hiltz, Michael Herz, Malcom Burson, John Patrick, John Palmer, Carla Dickstein

Guests Attending: Daniel Lawson, Alliance for American Manufacturing; Judilee Whittemore, New Page; Donna Weston, USW Local 900; Ron Hemingway, USW Local 900

Staff Attending: Linda Nickerson; Judy Gopaul

Senator Jackson called the meeting to order at 10:05 a.m. and introductions were made.

Presentation – Daniel Lawson, Alliance for American Manufacturing

Mr. Lawson was employed in the paper manufacturing industry for twenty-two years, is the Field Coordinator for Alliance for American Manufacturing (AAM) and defined their mission and purpose.

On September 23, 2009 three US paper producers, Appleton Coated LLC, NewPage Corporation and Sappi Fine Paper North America and the United Steelworkers filed antidumping and countervailing duty petitions covering certain coated paper from China and Indonesia alleging that the Chinese and Indonesian exporters of the coated paper covered by the petitions were selling in the United States at prices below normal value and that China and Indonesia producers received subsidies from their governments. The petitions also allege that the U.S. industry producing comparable coated paper is being injured as a result of unfair trade imports from these countries.

Numerous letters of support from the Maine Congressional Delegation were filed with the United States Trade Commission asking for a tariff to be levied on the imports to level the playing field.

Mr. Lawson along with others has been working jointly with companies and towns educating them on the issue of paper dumping and has received letters of support from seven local towns. They have identified twenty-six other towns that they will target for future meetings.

On March 2, 2010, the Department of Commerce found that Chinese and Indonesian coated paper producers have received improper subsidies and issued determinations. As a result, tariffs will be imposed on imports of coated paper to offset the unfair advantage provided by subsidization and that importers of the paper will have to post bond or cash deposits.

The Asian Paper Association filed an appeal on the decision on March 3, 2010.

On April 28, 2010, the Department of Commerce will issue its preliminary determinations in the antidumping duty investigations. In the fall, the International Trade Commission will conduct a public hearing to hear arguments of each side as it prepares final decisions as to whether the domestic industry is injured or threatened by imports of Chinese and Indonesian coated paper.

Mr. Lawson also added that since 2002, approximately 60,000 jobs have been lost in the paper industry. These numbers do not include jobs that have been lost and affected by the paper industry closures such as the trucking companies, drivers, mom and pop stores that depend on the workers, grocery stores, and the like.

Mr. Lawson asked for letters of support from the Citizen Trade Policy Commission and to recommend the same to the Governor.

Sen. Sherman asked if it would be possible for Mr. Lawson to get the overall fiscal impact on what exactly has taken place and that he would like to see the “big” numbers.

Discussion followed on the negative economic impact to Maine if nothing is done for the paper manufacturing industry. Rep. Gifford reminded members that Maine once was a thriving manufacturing state famous for their shoe, tissue, shirt and fabric industries, meat processing, along several others which all have closed and no longer exist in Maine.

Mr. Lawson was thanked for his work and efforts in educating the community in these areas.

Presentation - Donna Weston, Dixfield, NewPage Paper Mill

Ms. Weston described her position and how the economic impact, directly and indirectly affect jobs in Dixfield and how plant closure repercussions go beyond employees.

Presentation – Judilee Whittemore, NewPage Paper Mill

Ms. Whittemore is an employee of NewPage in Rumford. Ms. Whittemore explained how closure of the Rumford mill would affect her family, banks, stores, as well as the state’s revenue received in taxes, sales, etc.

Presentation – Ron Hemingway, Rumford Paper Mill and USW Local 900

Mr. Hemingway has been employed at the Rumford Paper Mill for approximately thirty-four years, is with USW, Local 900 and also with the Maine Labor Council for about eighteen years.

Seventy-five to eighty percent of the town’s taxes come from the Rumford mill which will decrease to around 40 percent if the mill shuts down. This affects the overall town tax budget, the school budget and the community.

Mr. Hemingway expressed his concerns with the mills shutting down, how it has affected families, loggers, suppliers, wood chip plans and various other vendors. He expressed his concerns on the import of paper from China and Indonesia and how it has affected the mills, the employees, and the overall community of having cheap imported subsidized paper dumped in the US market.

Sen. Jackson thanked Ms. Weston, Ms. Whittemore, and Mr. Hemingway for coming to today’s meeting and expressing their concerns.

Discussion followed on the commission drafting a letter of support and sending it to the Department of Commerce, the International Trade Commission, USTR, and should include the Council of State Government which is holding their conference in Portland in August.

Motion was made by Mike Roland for the Commission to draft a letter of support to appropriate trade commissions with copies to USTR, etc. to the affect that we support the paper trade case. The motion was amended to include congressional delegation and the Governor's office.

It was also suggested to include that the costs that China incurs does not get passed onto the workers in China. Discussion followed on how they have no control of what China does. Sharon Treat suggested including language to express concerns of the labor treatment of the workers of other countries.

Malcom Burson reminded members that the motion had to come from an appointed member.

Motion was made by John Patrick for members to draft a letter of support to appropriate trade commissions with copies to USTR, etc. to the affect that they support the paper trade case. The motion was amended to include congressional delegation and the Governor's office.

Seconded by Rep. Gifford. Vote, unanimous.

It was suggested to contact the legal team in the above mentioned case to get a better understanding.

Work Plan for 2010

Discussion followed on strategy for a better communication plan, resources, constituent's feedback and concerns. Suggestion was made to develop a Face book page for the commission. Suggestion was made to create a sub-committee to develop a strategic planning structure for the coming year. Members are Michael Herz and Sara Bigney.

Sharon Treat gave an update on the hearing before the USTR March 3, 2010 where she provided oral testimony representing the Commission. The purpose of the hearing was to get comments and testimony. Testimony we well received which sparked a lot of interest.

Sarah Bigney advised members that there is a new lawsuit filed with NAFTA – AbitibiBowater regarding water trade and will send out information to members about it.

John Patrick suggested inviting speakers from the paper industry to attend the public hearing.

Next Meetings:

The next commission meeting is scheduled to be held April 16th at 10:00 a.m. The Public Hearing is scheduled May 5 at Oxford Hills Comprehensive High School, South Paris, Maine at 6:00 to 9:00 p.m.

Adjournment:

There being no further discussion, the meeting ended at 12:22 p.m.

Respectfully submitted,

Linda B. Nickerson