

# Pulp truth

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## Paper Workers Organize Grassroots Support for Coated Paper Trade Cases

Dan Lawson and Meghan McKeefry are determined to show the six-member U.S. International Trade Commission that America's small paper towns will suffer if the U.S. government does not take action soon to stop China and Indonesia's predatory trading practices regarding a certain type of coated paper.

Our union, along with Appleton Coated LLC, NewPage Corporation and Sappi Fine Paper North America, filed unfair trade cases with the U.S. Department of Commerce (DOC) and U.S. International Trade Commission (ITC) on September 23, 2009 to stop the dumping and subsidy of certain coated paper produced in China and Indonesia.

So far our union has won every step of the unfair trade cases, and it is now down to the wire for a final decision from the DOC and ITC in September.

Lawson and McKeefry are part of a national effort to support the trade cases. They are two of 13 field coordinators working for the Alliance for American Manufacturing, a non-partisan, nonprofit partnership involving our union and several leading manufacturers.

Lawson is a member of Local 4-261 at the Verso Paper mill in Bucksport, Maine and worked many years as a paper worker prior to joining AAM. McKeefry worked at Georgia-Pacific's Green Bay, Wisc., east side operation during summer breaks from college. Her father, Keith McKeefry, is secretary-treasurer of Local 2-213.

### Gathering Support

Using their history and knowledge of the industry, Lawson and McKeefry have been collecting letters of support for the paper industry and our coated paper trade cases from union members, management and community members. They are getting town councils to pass resolutions in support of our paper trade cases.

They also are interviewing townspeople like local business owners and elected officials, laid-off workers, economic development people, union members, and volunteers about what they think would happen to their communities if the local paper plant shut down. These interviews are being recorded by video camera and will be combined into a video to show the ITC how their decision will impact paper towns across America.

Coated paper is the most profitable segment in the industry.

The message to the ITC is that the core of the industry is being attacked and if China and Indonesia are successful in hollowing out the U.S. paper industry, it will fall.

Our union has been successful in other trade cases before the ITC involving the rubber, pipe and tube industries. The work done by committed people like Lawson and McKeefry will further bolster our nation's trade cases.

### Momentum Increases

So far at least 50 towns have passed resolutions in support of holding Chinese and Indonesian producers accountable for unfair trade practices because of the work Lawson and McKeefry have done in talking about the issue.

At a press conference in Rumford, Maine, on trade, State Senate President Libby Mitchell came to speak and made a presentation to those present from the labor movement of the signed state resolution that was passed in support of our trade cases. A proclamation from the governor is forthcoming.

After testimony from Lawson and others, the Maine Citizens Trade Policy Commission agreed to send letters of support to Treasury Secretary Tim Geitner and ITC Secretary Marilyn Abbott.

Lawson said the NewPage plant manager in Rumford decided with Local 900 President Matthew Bean that the campaign to support our trade cases was a worthwhile cause. Local 900 Recording Secretary Ron Hemingway headed the seven-member worker-manager team that was assembled, and they approached towns they were familiar with to get the trade resolution passed.

"Once they learned the presentation, they did fantastic," Lawson said. "Local 9 in Skowhegan also stepped up to the plate as well. They wrote letters to their senators and letters on the Chinese currency issue."

### Rapid Response Steps In

Our union's Rapid Response program is now bringing the power of 850,000 Steelworkers to bear on our trade cases. Locals throughout the country distributed an info alert to their members about how China undercuts US paper jobs. Rapid Response is getting the entire union involved in a campaign to get congressional representatives and senators to sign a letter to Obama asking him to examine China's unfair trade practices and apply appropriate remedies.

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Local 988 members from Glatfelter's plant in Chillicothe, Ohio, were successful in getting U.S. Rep. Zack Space (D) to sign the letter.

Paper locals that want to get in on this action need to call Rapid Response at 412-562-2291 or email Rapid Response at [uswrr@usw.org](mailto:uswrr@usw.org)

Rapid Response also has been taking the report, *No Paper Tiger: Subsidies to China's Paper Industry* from 2002-09, to congressional offices and requesting action be taken to combat the illegal subsidies and dumping.

## Touring the South

Lawson and McKeefry spent two weeks together this summer in the South interviewing residents in the paper mill towns of Eufaula, Ala., Demopolis, Ala., and Canton, N.C. They taped the interviews using their flip video camcorders.

"We'd ask if something happened to the mill, what would you do for work? Where would you go?" Lawson said. "Down South we talked to a school administrator in Canton, N.C. She said the first thing she'd have to do is close two or three schools."

McKeefry said small towns like Canton "get it." They understand the economic multiplier effect of a paper mill and that for every job in the paper industry, 4.8 to 7.2 jobs are created.

"At first, some small business owners don't think they'd be

affected until they run the numbers and then they realize how a mill shutdown would impact them," Lawson said. "The head of the Chamber of Commerce in Skowhegan, Maine, said his downtown area would become a ghost town if the mill was to leave. We heard the same thing from the Chamber in Demopolis, Ala."

The realization that a mill shutdown could devastate one's community is almost too much to bear for some people.

"We had to literally stop one interview," McKeefry recalled. "One lady broke down and started crying, 'I'm a single mom and I do not know what I'd do.'"

McKeefry said she and Lawson always ask people what they would say to the ITC and elected officials in Washington if given the chance.

"Eighty percent say the same thing: 'We'd like you to make this a level playing field. If we don't win, then fine. We're always asking for that chance,'" McKeefry said. "It seems everybody understands the issue. There's no doubt everybody agrees what needs to happen."

## Next Action

A bus tour of paper towns is being planned that will start in Wisconsin, swing through the South and go up to the Northeast, culminating Sept. 16 at the ITC hearing in Washington, D.C. The tour will generate further support for the federal government to take action and stop unfair trade that threatens our paper jobs.

## Expect Greater Competition from Asia on Tissue Paper

Asia Pulp & Paper (APP), one of the largest vertically integrated pulp and paper producers in Asia, excluding Japan, has announced projects that will boost its total annual capacity of tissue paper to almost 1.6 million tonnes in the next few years, reported a paper trade publication. The company is the leading exporter of coated paper from China and Indonesia.

The company plans to boost its tissue paper capacity in Indonesia and China. Six tissue machines, each with a capacity of 20,000 tonnes/yr, will be installed at APP's mill in Jambi, on the Indonesian island of Sumatra.

### Chinese Expansion

During the next two to three years APP plans to double its tissue capacity in China from some 480,000 tonnes/yr to 960,000 tonnes/yr.

The company has ordered eight large tissue machines, each with a capacity of 60,000 tonnes/yr, for four mills in China. Each plant will house two machines. The first PM will come on board by the end of this year.

Like with coated paper, our union will be monitoring the tissue paper market to see if other nations' producers dump this product (sell below cost or at a price that is less than that charged in the home market) or receive illegal trade subsidies from their home governments.

## Major Chinese Paper Company Jumps Into Uncoated Freesheet Production

This past spring *Pulp & Paper Week* reported that Nine Dragons Paper, the world's second largest containerboard producer by capacity, is planning a shift in the next 1 1/2 years to producing, for the first time, uncoated freesheet (UFS) printing and writing papers.

Nine Dragons wants to manufacture office/copy paper with 100% recycled content. The company's goal is to run 450,000 tonnes/yr of capacity in China by December 2011.

The paper trade publication quoted one California supplier as saying "the long term goal of Nine Dragons is definitely to supply markets outside of China."

The company is expanding capacity in other lines as well and is undergoing a 2.25-million-tonne/yr capacity build from now until December 2011. Three machines are being rebuilt and four other new ones are being added.

While the firm's linerboard and corrugating medium capacities will decline by 50,000 tonnes each from levels

today, capacities will increase in UFS (by the 450,000 tonnes/yr), lightly-coated white top linerboard (by 830,000 tonnes/yr) and coated duplex board (by 1.1 million tonnes/yr).

Like other Chinese firms, Nine Dragons buys a lot of recovered paper and old corrugated containers (OCC) from the U.S. Over the last eight years, China increased its buying of US material by 9.5 million tonnes—the exact amount that US exports during that period also increased. Exports to China rose from 3.3 million tonnes in 2001 to 12.8 million tonnes last year, with mixed paper and OCC representing 73% of the total.

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