

The Business Journal of Milwaukee - October 16, 2009  
[/milwaukee/stories/2009/10/12/daily85.html](#)



Friday, October 16, 2009, 1:18pm CDT

## Trade agency launches coated paper imports probe

The Business Journal of Milwaukee

The U.S. International Trade Commission has launched its investigation this week into allegations by U.S. paper manufacturers, including those with operations in Wisconsin, of unfair trade practices in regards to coated paper imported from China and Indonesia.

The trade commission launched the probe Wednesday with preliminary hearings on trade case filings made by Miamisburg, Ohio-based **NewPage**, which now owns the former Stora Enso North America paper mills in Wisconsin, along with Wisconsin paper maker **Appleton Coated LLC** in Kimberly, Boston-based **Sappi Fine Paper North America** and the **United Steelworkers of America**, the steelworkers union said Thursday.

The union and the paper manufacturers filed antidumping and countervailing duty petitions covering imports of certain coated paper from those countries. The group is looking to the U.S. Department of Commerce and the U.S. International Trade Commission, the agencies responsible for investigating unfair trade practices, to impose duties to offset alleged government subsidization and dumping.

The group alleges that various subsidies being provided to Chinese paper producers and Indonesian paper companies are from timber provided from government-owned land at below-market prices, among other things.

They estimate coated paper imports jumped nearly 40 percent in the first half of 2009 — compared with the same period last year — while coated paper shipments by domestic manufacturers dropped at about the same rate.

According to the trade case filing, thousands of jobs have been cut in the past five years as imports from China and Indonesia flooded into the U.S. market. Imports from the two countries together account for nearly 30 percent of the domestic market, according to the union. In 2008, coated sheeter mills for NewPage have **shut down in Kimberly** in Wisconsin's Fox Valley, and Chillicothe, Ohio, and in 2009, a Sappi mill closed in Muskegon, Mich. The Kimberly mill shutdown cost 475 jobs alone.

"We have seen thousands of job losses by multiple plant shutdowns in coated paper manufacturing caused by imports since the period examined in the last petition to enforce fair trade rules against the flood of subsidized imports from Asia," said Leo Gerard, USW international president.

The cases are expected to take about a year to complete, with an ITC vote of preliminary determination Nov. 6.

If the ITC determines there is a reasonable indication that imports are materially injuring or threatening material injury to the domestic industry, the investigations will continue. The Commerce department will be scheduled to make its preliminary countervailing duty determination for an anti-subsidy tariff in December, and its preliminary antidumping determination in March 2010.

*All contents of this site © American City Business Journals Inc. All rights reserved.*