

United States Senate

It is our unfinished task to restore the basic bargain that built this country – the idea that if you work hard and meet your responsibilities; you can get ahead... ..

It is our unfinished task to make sure that this government works on behalf of the many, and not just the few; that it encourages free enterprise, rewards individual initiative, and opens the doors of opportunity

Our first priority is making America a magnet for new jobs and manufacturing.

President Barack H. Obama State of the Union February 12, 2013

The Honorable Ron Kirk
United States Trade Representative
600 17th Street NW
Washington, D.C. 20508

February 28, 2013

Dear Ambassador Kirk,

Eight days after the State of the Union address on February 20, 2013, 45 Maine paper workers lost their jobs as a result of declining coated paper demand caused in part by an illegal government subsidy to a Canadian paper mill.

In Maine while we work to support new jobs and manufacturing we find ourselves having to defend at every turn the traditional sectors that have been the economic and cultural lifeblood of our state. We believe that both are necessary and essential if we are to open the doors of opportunity. Papermaking is a crucial industry in Maine. The state is blessed with vast timber resources and a workforce that harvests, hauls and processes the wood as well as making paper.

The mills in Maine employ over 7,000 workers, in some of the best paying jobs in the state. The jobs are located in areas that have few other options, and are therefore critical to the overall economy. Management and workers are making every effort to increase efficiency and economic viability of the mills in a challenging global marketplace.

They are, to use the President's words, working to.... *restore the basic bargain that built this country – the idea that if you work hard and meet your responsibilities; you can get ahead...*

In constituent meetings recently I have learned of the \$124.5 million in government subsidies provided to the Port Hawkesbury Paper (PHP) Mill in Nova Scotia in clear violation of

WTO rules. Compounding this offense is the length of time it is taking to get information from the Canadian government about the details of these subsidies.

The frustration is amplified by the fact that each week since the plant reopened on October of 2012, the PHP has put tons of highly subsidized supercalendered paper in a North American market that is already very tight with demand decreasing. Never was that more clear than on Wednesday night when the NewPage Paper Mill in Rumford Maine announced the layoff of 45 employees citing a drop in demand for #5 Coated Paper, a product often substituted for supercalendered paper.

The paper mills and workers are not looking for a handout, they do not need to rebuild their communities, they have a well-paid workforce, and they kept jobs in this country even when it might have been easier to move them overseas; they have fulfilled their part of the bargain. The mills are facing a crisis and need to know that we have their back.

I appreciate your efforts on this issue and understand that the US questioned Canada in October at the Committee on Subsidies of the World Trade Organization meetings and your office has communicated directly with the Canadian Trade Minister requesting an explanation of these subsidies.

However, it is very difficult to explain to my constituents why this initial inquiry is taking over five months. The Canadians know whether or not they provided these subsidies; and my constituents know that as each day that passes there is more damage to our domestic paper industry, putting their jobs and communities are on the line.

In February 2012, Commerce Secretary John Bryson released the Department of Commerce's (DOC) fiscal year 2013 budget request which, in concert with USTR, included \$26 million to fund the Interagency Trade Enforcement Center (ITEC). ITEC was designed to enhance enforcement of unfair trade practices. I have instructed my staff to share this information with ITEC to determine how they can be of assistance.

I am determined to do everything in my power to assure that we get to the answers for these workers. I look forward to working with your office to address this critical issue.

Sincerely,


Angus S. King, Jr.
United States Senator

This is a grave concern to me