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USW, Sierra Club Join Paper Trade Case to Support Fair Trade
Seminal Environmental Action Challenges Subsidies from Illegal Logging

Washington, D.C.— The Sierra Club and the United Steelworkers (USW) joined together today for a test case to curb the trade of certain products made from illegally logged timber. The groups, which have formed a Blue Green Alliance, have called on the U.S. Department of Commerce to expand an existing investigation of unfair trade subsidies from illegal logging that violate international environmental standards and undercut the U.S. paper industry.

The USW and Sierra Club asked the Department to investigate whether paper companies in Indonesia benefit from an unfair subsidy in the production of high-gloss and coated paper products made in part by using illegally logged timber. The real significance of the new filing is that it calls for treating lax enforcement of environmental laws as a subsidy that could be met with countervailing duties by the U.S. on unfairly priced exports of Indonesian paper.

“The U.S. has a responsibility as a main consumer of wood and paper products to put an end to illegal logging,” said Carl Pope, Executive Director of the Sierra Club. “Illegal logging has devastating environmental and social impacts- accelerating global warming, increasing the risk of deadly landslides and depressing timber prices worldwide. The Indonesian timber and paper companies should not be allowed to profit from this destruction.”

Illegal logging produces artificially cheap wood and paper products. Systematic non-enforcement of forestry laws by the government of Indonesia allows Indonesian logging companies to keep costs unnaturally low- harming U.S. paper industry workers whose jobs are put at risk by cheap, illegally made products.

In making the announcement, Leo W. Gerard, USW President, declared: “These predatory trading practices have cost U.S. jobs by forcing mill closures and the shutdown of paper lines. We can no longer stand by and let countries violate international environmental standards and use this advantage to undercut our own industry and jobs.”

Continued subsidies will mean more workers, like Tom Caldwell, a USW represented sheeter operator at the NewPage Corp.’s coated freesheet paper mill in Luke, Md. The mill employs 1,100 workers who might eventually be out of a job. “The Luke mill is the largest private employer in Alleghany County (MD),” he said. “It’s going to be very difficult for our production workers who are laid off to find new jobs in the area.”

The Sierra Club joins an existing trade case the USW and NewPage Corp. has before the government that says China, South Korea and Indonesia are unfairly dumping coated freesheet paper products in the U.S. market at prices less than those charged in their own countries.

“The Indonesian logging case is a prime example of how international trade undermines environmental standards in this country while putting severe economic pressure on workers and their communities,” said David Foster, Executive Director of the Blue Green Alliance, a strategic partnership of the United Steelworkers and the Sierra Club that advocates on trade, jobs and environmental issues. “We need a trade model that elevates living standards and environmental practices, instead of tearing them down.”

In 2004 there were approximately 12,150 USW jobs at 22 mills in the U.S. that make CFS. In 2007, just over 9,800 of those jobs remain among 13 states; a drop of 19% in just three years. The USW represents 130,000 workers in the paper and forestry products industries, a loss of about 60,000 jobs since 2002. Most of the larger capacity CFS mills are in Maine, Michigan, Minnesota and Wisconsin.

For more facts on the coated free sheet paper case >> www.usitc.gov/. Additional background is available at: >>www.usw.org/

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