

Honorable Chairman Pombo, and members of the House Resource Committee. My name is Dawn Ganzel. I would like to thank you for the invitation to testify today. I am employed at NewPage Corporation's paper mill in Escanaba in Michigan's Upper Peninsula, and am the Recording Secretary for Teamsters Local 328 and chief steward for the Teamsters in the mill. I'm here representing the Escanaba chapter of the Great Lakes Region of the Pulp and Paperworkers Resource Council. Our group includes members from the Teamsters, the United Steelworkers/PACE Local 21 and the International Brotherhood of Electrical Workers Local 979.

Escanaba is a small community located on the north shore of Lake Michigan. NewPage is the largest employer in town. We produce coated paper used in magazines, advertisements and textbooks. The paper mill has a major impact on our local economy, including our tax base and our school systems.

One of our major costs in the mill is energy. Our energy costs increased from 2004 to 2005 by 29%. That's a dramatic increase. We all face opening our monthly heat and electricity bills, and adjusting our personal budgets in response to the soaring prices. Businesses are no different.

Our wood suppliers are experiencing very high increases in diesel fuel costs. We have had to substantially increase our purchase prices for pulpwood. The high cost of energy creates a ripple effect down the line from the mill, to our suppliers, and to local businesses whose businesses depend on the mill and mill employees.

In our industry, when expenses rise, we have to either raise our prices or reduce our costs, or a combination of both. If we continue to raise our prices, we face the risk that our customers will purchase the cheaper imports now flooding the coated paper market. Reducing costs almost always includes manpower. This translates to job loss, with fewer people in our area earning paychecks sufficient to support a family. As costs rise, corporate profits shrink, which results in less money to spend on community contributions, and business growth that can create jobs instead of eliminating them.

When we fulfill our civic responsibility of voting, we do our best to choose candidates who have the knowledge and skills to represent us by making decisions in our best interests. We're encouraged to see that Congress has been taking the energy issue seriously enough to seek answers and debate what our best options are.

The main challenges that I personally see in the debate on energy seem to be differences in opinion on whether to conserve energy and pursue alternate fuel sources; or to depend more upon ourselves to supply our own oil and natural gas needs. I believe most Americans recognize the need for both. We want to use our advanced American technology to find better long-term answers for our energy supply. We also need to find a way to make energy available and affordable in the short term, to keep our industry competitive and our people employed.

What we ask of our elected representatives to help us is:

- A national energy strategy including access to a balanced mix of fuels, investment in the development of cleaner and more energy-efficient technology, and streamlining of the regulatory permitting processes for beneficial projects.
- We ask that Congress look for ways to reduce American dependence on imported fuel supplies. It's time to make wise use of our own natural resources, meaning increased access to oil and gas reserves in our own backyard. One key but controversial factor in this is exploration of the Arctic National Wildlife Refuge in Alaska. This issue has been debated for about thirty years. The fact is, we have the technology and skills to use our own natural resources to solve our own energy challenges. We have the world's best environmental regulations to allow us to explore and produce oil in this area. Domestic production of oil, such as we have available in ANWR, should be a part of our energy policy. We also need to increase oil exploration on our continental shelf.
- We need to move forward with use of biomass as a fuel source. In the Upper Peninsula, we have abundant biomass around us in the waste material in our forests, but currently can't produce it and transport it economically enough to reduce our fuel costs. We ask that Congress look for ways to make use of biomass a more competitive fuel source.
- We ask that Congress continue to work towards reformation of the Endangered Species Act to protect endangered species without unnecessarily impacting energy costs by restricting sustainable logging, coal mining and drilling for fossil fuels.
- We ask that our elected representatives continue to try to reach compromise to keep energy-intensive industries like ours viable in this country, so that we can retain our jobs.

My husband and I are fortunate in that we both have living-wage jobs in the paper mill. We have two children; a daughter, who is a sophomore in high school and a son, who is a first-year student at Michigan Technological University. We're able to support ourselves, pay our taxes so our local, state and federal governments can operate efficiently, and help our son continue his education, along with his sister in the future. We are blessed to be able to contribute to the economy, instead

of dependent upon it. We ask that Congress do everything possible to improve our national energy situation so our mill can remain competitive, so that we can retain our jobs.

Thank you.