

Testimony of
Larry Owenby
Brevard, North Carolina

Members of the subcommittee:

I would like to thank you for the invitation to express my views on ways that the working people of our country can become more self sufficient and less dependent.

In August 2001 our mill was sold to a foreign entity that immediately went into contract negotiations with plans to cut wages and benefits by 30%.

Throughout these times we were told that cuts had to be given in order to maintain the level of business that we were accustomed to. Also we were told these cuts would be rewarded back to us in due time. After some investigation of this new owner, it was learned that not only were they trying to destroy our mill but were also in court for spending pensions from another mill that was previously owned by them.

In trying to save our jobs and the impact that would occur should we lose the mill, we tried to raise money to buy the now struggling facility from certain doom. We learned the hard way that when it came to finding investors who were willing to put up money for a money for a long term was nearly impossible.

Our argument was a very simple one. Who else but the people that had spent 20 to 30 years inside that mill were capable of carrying on a tradition that had been very fruitful for more than 60 years. These people knew the markets, they knew the machines, and they knew the customers.

This mill through feasibility studies was still a very viable site and had potential for many types of new markets. It was also turning 1-ml in profit every month.

Because of a term labeled "labor dispute", the owner put the mill into bankruptcy after rapping all assets that could possibly be sold. This created another problem for the workers, how could we show investors that knew nothing about this business that it was still a viable mill?

We, through our local union, our national union, and local politicians began the process of trying to find other companies that had the same interests in business that we had. There were two such companies that took notice of the situation, one was our strongest competitor, the other wasn't really sure about the investment capital that had to be spent.

While all this was occurring, the site itself became more involved on court litigations while the important parts of the operation were slowly wasting away. We began to lose customers because they needed the security that we could no longer provide. We lost

important vendors that were not being paid. We lost important staff that couldn't risk the loss of revenue.

And we also began losing hope.

We were asked by the media and some of you may be wondering why we didn't try to settle instead of putting everything in jeopardy?

As I have already stated, after our investigation this was normal procedure for the new owner.

This put us back at square one, with only the people that we had asked to help, trying to find ways to get investors.

Because of the nature of our mill, this downtime put a strain on all the environmental systems, causing some concerns from E.P.A. and the N.C. Attorney Generals Office. Therefore creating even more problems for potential investors.

This brings to date what has happened now. We are currently a dead mill with no hope of ever starting up again. We have over the last three years lost more than one thousand jobs in western N.C., this could have been prevented had we had the opportunity to find the funds to save our mill when we first began to seek the assistance that was needed.

I urge you to take into careful consideration the bill that you are discussing, because we believe that it could become a very important tool for our manufacturing community to insure health and stability in our economy.

Thank you for your time.

Larry Owenby