



TENNESSEE MANUFACTURERS ASSOCIATION

Tennessee Chamber of Commerce & Industry

December 14, 2017

The Honorable Wilbur L. Ross, Jr.
Secretary, U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Re: *Uncoated Groundwood Paper from Canada, Inv. Nos. C-122-862 and A-122-861*

Dear Secretary Ross:

On behalf of the Tennessee Manufacturers Association, we urge you to heavily scrutinize the antidumping and countervailing duty petitions filed by North Pacific Paper Company (NORPAC) regarding uncoated groundwood paper from Canada, the paper used in newspaper production. In addition, we understand that a number of newspaper publishers and commercial printers in Tennessee share this same position. We believe that these cases do not warrant the imposition of duties, which would have a very severe impact on numerous industries and communities across the United States. NORPAC's petitions are based on incorrect assessments of a changing market, and appear to be driven by the short-term investment strategies of the company's hedge fund owners. The stated objectives of the petitions are flatly inconsistent with the views of the broader paper industry in the United States.

If Canadian imports of uncoated groundwood paper are subject to duties, prices in the whole newsprint market will be shocked and the industry's supply chains will suffer. Some paper manufacturers see the pending tariffs as a harbinger for further declines in the newsprint market and have indicated that they may be forced to convert operations to manufacture more profitable paper products. With fewer producers of newsprint, publishers would face even higher costs or a disruption in supply of this critical raw material.

Facing increased costs of newsprint across all suppliers, many small-town papers will be at risk of failing. To survive, some newspapers may resort to increasing print subscription prices, which would only exacerbate the severe challenges facing newspapers.

As to the U.S. paper industry, the industrywide shift from print newspapers to digital news consumption • not imports from Canada • has caused a decline in demand for uncoated groundwood paper. Conversely, in recent years, the market share of Canadian uncoated groundwood paper imports has actually declined.

Equally concerning, NORPAC's petitions do not reflect the views of the paper industry in the United States. In fact, the antidumping and countervailing duty petitions are opposed by other U.S. producers of newsprint and the American Forest and Paper Association, which represents the broader U.S. paper industry. Given the outlier status of NORPAC, it appears that its owners, One Rock Capital Partners, may be using the petitions as a means of increasing the short-term value of this one mill, without any regard for the dramatic negative implications for U.S. newspapers in thousands of small cities and towns.

Local newspapers are the core of our communities' access to local news about governmental activity, local economic and business issues, high school sports, and milestones for local citizens. Our thousands of employees and millions of readers are counting on you to protect the industry from NORPAC's brazen attempt to manipulate the trade laws in a manner that would inflict widespread harm on the newspaper industry, without the support of others in the domestic paper industry.

We respectfully request that this letter be placed on the official record of the Department's Uncoated Groundwood Paper Investigation.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "A. Bradley Jackson".

Bradley Jackson
President and CEO
Tennessee Manufacturers Association