

18-061740

ROBERT P. CASEY, JR.
PENNSYLVANIA

COMMITTEES:
AGRICULTURE, NUTRITION,
AND FORESTRY
FINANCE
HEALTH, EDUCATION,
LABOR, AND PENSIONS
SPECIAL COMMITTEE ON AGING

United States Senate

WASHINGTON, DC 20510

A-122-861
C-122-862
Investigations
Public Document
Office II: JT

June 7, 2018

The Honorable Wilbur Ross
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Washington, DC 20230

Secretary Ross:

Thank you for taking the time on May 16, 2018 to discuss the ongoing trade investigation into uncoated groundwood paper. Newspapers and a free press are a bedrock of our democracy. Local newspapers in particular, whose reporters uphold the responsibility of executing the duties of the "fourth estate" for their communities, must have the resources available to faithfully report and transmit the news. As we discussed, I have heard from numerous newspapers in Pennsylvania expressing concern about the impacts of Commerce's preliminary findings. Enclosed is the data you requested on industry impacts in Pennsylvania. Additionally, I reiterate my request that you use your authorities under the Tariff Act of 1930 to initiate a suspension agreement between the two parties, to avoid adverse impacts to our newspaper industry.

I know you will undertake a judicious review of the concerns raised by my constituents and take the appropriate action.

Thank you for your attention to this matter.

Sincerely,



Robert P. Casey, Jr.
United States Senator

Enclosure

The following is survey information provided to by office by the Pennsylvania NewsMedia Association (PNA):

Pennsylvania is home to 76 daily newspapers, and more than 150 non-daily newspapers. The survey results represent responses from roughly 35 newspapers.

PNA members' response to preliminary tariffs:

- 84% have reduced page count
- 44% have not filled open positions
- 34% have shopped for alternative paper sources
- 22% have imposed staff reductions

PNA members' estimated additional annual cost due to the imposition of the preliminary tariffs:

- Wide range from \$5,000 - \$2,000,000+ - depending on size of the newspaper
- Average increase of 23.4%

PNA members' potential response to permanent tariffs:

- 72% may reduce page count
- 72% may not fill open positions
- 31% may reduce publishing days
- 31% may change publication size/format or implement a web width reduction
- 16% may outsource printing
- 13% may become a digital-only publication

PNA members' additional concerns if tariffs become permanent:

- First Amendment should extend to the ancillary things that make the Amendment functional. Imposing tariffs on vehicles that exercise the Amendment should be just as unconstitutional.
- Newspaper staff size and employee benefits may be reduced.
- Adding planned circulation increases into additional areas may no longer be feasible.
- We may need to implement price increases for subscribers and advertisers, along with surcharges to other newspapers and publications that we print, to offset additional newsprint costs.
- These tariffs are hurting not only our business, but the businesses of our advertisers and clients.
- Some sectors of readership will have a hard time finding the news and information that helps shape their day.
- The increased cost has the potential to significantly reduce our depth of reporting and reach and provide less content in the printed paper.
- The impact of the tariffs has hit all of our various publications and cut into sliding profit margins faster and much deeper than our ability to pass through to a declining customer base. For a large community paper priding ourselves on quality journalism over various topics, we have had to make difficult decisions on what remains in our daily paper. The trickle-down effect to the most important piece of our business, the consumer, is beginning.
- Many newspapers are close to running out of newsprint and are scrambling to borrow from others. This has created a much bigger shortage than anticipated.
- The subsidized Canadian newsprint price has driven out U.S.-based manufacturers. We have no leverage with Canada. Our jobs were and will continue to be lost. Newsprint tariffs are punitive to American newspapers.
- Not only are the tariffs putting our publications in jeopardy, they are endangering the livelihood of many employees – employees who have families to support. Should one company have the power to destroy the

lives of so many? Especially a company that lacks the capacity to fulfill our newsprint needs?

- Book publishers are able to make money using an enormous supply of expensive paper. Why can't lawmakers help newspapers do the same on newsprint? What can they do in a hurry to promote the American production of newsprint so we can continue, especially in the local market, to provide local news, editorials and information?

Jones, Sarah (Federal)

From: Rankin, Alex (Federal)
Sent: Tuesday, June 12, 2018 4:08 PM
To: Missouri Johnson, Marcellina (Federal); Jones, Sarah (Federal)
Subject: FW: Secretary Ross call w/ Senator Casey
Attachments: 2018.06.07. Casey letter to Sec. Ross on paper suspension agreement.pdf; Sen. Casey enclosure - PNA tariff survey.pdf

Marcy and Sarah,

Barcode:3720923-01 C-122-862 INV - Investigation -

Please see attached a new letter to the Secretary.

Thanks,
Alex

From: Shmavonian, Livia (Casey) [mailto:Livia_Shmavonian@casey.senate.gov]
Sent: Friday, June 08, 2018 9:55 AM
To: Rankin, Alex (Federal) <ARankin@doc.gov>
Subject: RE: Secretary Ross call w/ Senator Casey

Alex, Senator Casey and Secretary Ross spoke last month regarding the ongoing uncoated groundwood paper AD/CVD investigation. The Secretary asked Senator Casey to provide data on the impacts of the preliminary determination on the newspaper industry. Enclosed is a letter from Senator Casey discussing the concerns we have heard from our newspapers and transmitting the data they have provided. Can you please make sure this gets transmitted to the appropriate personnel. Happy to discuss further, and we appreciate your attention to this matter.

-Livia

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