

COMMITTEES
SCIENCE, SPACE, AND TECHNOLOGY
SMALL BUSINESS

Congress of the United States
House of Representatives
Washington, DC 20515-4005

December 21, 2017

The Honorable Wilbur Ross
Secretary, U.S. Department of Commerce
1401 Constitution Ave N.W.
Washington, D.C. 20230

The Honorable Robert E. Lighthizer
United States Trade Representative
600 17th Street N.W.
Washington, D.C. 20508

RE: Investigations 701-TA – 584 and 731 – TA – 1382

Dear Secretary Ross and Ambassador Lighthizer:

We write you today to express our deep concern with the pending antidumping and countervailing duty investigations into the import of uncoated groundwood paper from Canada, including imported newsprint and other commercial printing papers. As you investigate this issue, we urge you to consider the negative impact that any trade remedy would have on the U.S. newspaper and commercial printing industries, as well as the overall U.S. paper manufacturing industry.

The U.S. newspaper publishing and commercial printing sector employs over 600,000 people in locations across the United States. By contrast, the petitioner (NORPAC) that seeks protectionist government intervention and interference in the market now employs approximately 260 individuals at one mill located in the Pacific Northwest. Thousands of highly paid paper manufacturing jobs in the U.S. are also at risk, many located in rural areas.

NORPAC is an outlier, owned by a New York hedge fund operator, with no additional pulp or paper operations in the United States or globally. In contrast, the majority of U.S. newsprint manufacturers, and even the national trade association for the U.S. forest and paper industry, the American Forest and Paper Association, as well as their major U.S. customers, oppose NORPAC's petitions. U.S. producers, printers, and the consuming public would be harmed by the market-distorting imposition of duties.

Over the last ten years, there has been a dramatic and well-documented shift toward digital alternatives to printed products – not only by consumers of news and information but also by advertisers. Accordingly, there has been decreased demand for newsprint in North America given this structural shift in media and advertising. Since the year 2000, North American newsprint demand has declined by over 75 percent.

Notwithstanding the decline in demand, people in small towns all over America still depend on their local newspapers. These petitions threaten to put those newspapers out of business and cut off rural and small-town America from their local news.

Newspaper publishers have also seen a significant decrease in advertising revenue, and as a result, it is unlikely that they could pass along to consumers any increased production cost associated with antidumping or countervailing duties. Trade sanctions will also hurt U.S. manufacturers of groundwood paper and their employees, since the fall in demand will also lead to an even faster decline in these jobs.

Uncoated groundwood paper demand is in steady decline in both the U.S. and Canada. It is market erosion, not unfair trade, causing today's competitive turmoil and job losses in the newsprint and commercial printing sectors. When Commerce issues preliminary determinations in the new year, it should protect hundreds of thousands of jobs and the local news lifeline of rural and small-town America by rejecting trade sanctions on uncoated groundwood paper.

Sincerely,



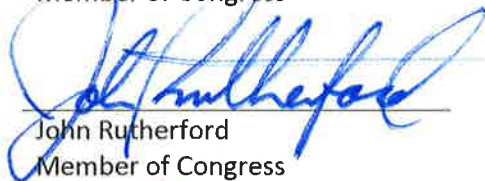
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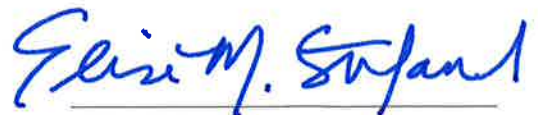
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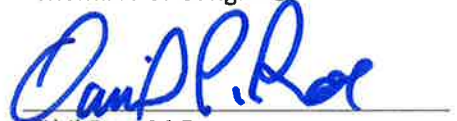
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