

# United States Senate

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The Honorable Wilbur Ross  
Secretary  
U.S. Department of Commerce  
Washington, D.C. 20230

Dear Mr. Secretary:

Thank you for your testimony on May 10, 2018, before the Senate Appropriations Subcommittee on Commerce, Justice, Science, and Related Agencies.

I write to follow up on our exchange regarding the preliminary tariffs on Canadian uncoated groundwood paper, better known as “newsprint.” You mentioned that, if a legitimate anti-dumping or countervailing duty petition is filed, and there is a finding of harm and subsidy, then the Department of Commerce has no alternative but to impose the tariffs, regardless of any collateral consequences to the U.S. economy outside the limited issues examined in an anti-dumping and countervailing duty investigation.

You provided two examples of newspapers that would feel the effects of the tariffs, including that the *Wall Street Journal* would see an increase from 10.4 cents to 12.4 cents per paper produced and that the *Longview Daily News* would see an increase from 5 cents to 6 cents per paper produced, and seemed to suggest that these increases are minimal.

Although the amounts may seem small, these numbers reflect an approximately 20 percent increase per paper produced. Moreover, local publishers produce tens of thousands of copies of each paper. The costs are even greater for the *Wall Street Journal*, which reportedly has an average daily circulation of 1.1 million printed copies. By your own statistics, the tariffs are costing the *Journal* about \$22,000 per day, or \$6.86 million per year.

The tariffs are having an appreciable effect on smaller newspapers and their ability to hire American workers in local communities. Moreover, a 20 percent increase in newsprint costs could very well result in job losses at the thousands of local and regional papers across the United States. The *Tampa Bay Times*, for example, just last month had to lay off dozens of employees due to increased costs, which they directly attribute to the tariffs.

As I said at the hearing, I trust that the Department of Commerce has accurately applied the trade enforcement remedies in this case, but that is exactly the problem. The anti-dumping and countervailing duty trade remedies are not equipped to address a situation like this where the import duties will actually harm the industry they were intended to protect. Further, these trade remedies fail to account for the highly regional nature of newsprint paper supply, which spans the U.S.-Canada border as it tracks the geography of forests used to source newsprint.

Maine is seeing significant harm to newspapers and commercial printing operations as a result of the tariffs. Multiple newsprint suppliers have been forced to increase newsprint rates by at least \$150 per

ton as a result of the tariffs. Kruger, one of Maine newspapers' key suppliers, is experiencing increases of approximately \$168 per ton. As a result of these increases, our largest newspaper group has stated that it stands to lose more than \$1 million annually and would need to lay off over 20 employees to offset these rates. One operation in Portland risks losing 10 employees alone. These tariffs present serious consequences.

The Canadian uncoated groundwood paper case is unique because of the special role newspapers and publishers play in our free society and for local businesses. The Executive Editor of the *Lewiston Sun Journal* in Maine put it especially well in a recent editorial:

While tariffs are going to cost the newspapers in real dollars, the real cost will be to the mission of journalists and the ability of newspapers — of all sizes — to carry on critical work in the public interest. The tariffs will mean smaller papers for communities to get and share their news, and fewer journalists holding a growing number of people accountable to the truth, to spending, to speech and to actions that harm the public good . . . Consumers [also] turn to newspapers to make spending decisions, and businesses rely on newspapers to draw customers to their goods.

As a result of the significant increase in the price of newsprint in Maine and around the country, since the anti-dumping and countervailing duty processes are not working as intended, and because of the unique role newspapers play in our democracy, I, along with Senator King and eight of our colleagues, introduced the Protecting Rational Incentives in Newsprint Trade (or "PRINT") Act of 2018. Our bill would suspend the import taxes on this paper while the Department examines the health of—and effects on—the printing and publishing industries. It is important to note that the legislation does not propose that Congress step in and substitute its judgment. The President would retain full authority to implement appropriate duties, if needed, after the Department completes its study of the broader effects of the anti-dumping and countervailing duties. Moreover, the legislation is only a pause. It is designed to ensure that the government makes decisions about these import tariffs with an understanding of all the anticipated and potential collateral effects on the U.S. industry and jobs.

In short, the PRINT Act presents a narrow solution to a unique case. It would preserve the existing anti-dumping/countervailing duty framework while protecting thousands of American jobs from an unintended consequence of the trade laws in this instance. I would welcome the opportunity to work with you to address this important issue.

Sincerely,

  
Susan M. Collins  
United States Senator