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SECOND DISTRICT, MISSISSIPPI

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Congress of the United States
House of Representatives
Washington, DC 20515-2402

July 16, 2018

The Honorable David Johnson and
Members of the Commission
International Trade Commission
500 E Street SW
Washington, D.C. 20436

Re: Investigation 701-TA-584 and 731-TA-1382 (Final)

Dear Chairman Johnson and Commissioners:

I am writing to oppose any tariffs on the import of Canadian newsprint for use by publishers and printers in the U.S. For decades the U.S. has had a strong trade relationship with Canada, and both countries have sold products across the border in a seamless fashion. As mills and paper machines that produce this grade have either shut down or transitioned to produce other grades in both the U.S. and Canada, the supply of available paper has dropped significantly, and printers and publishers in the U.S. have come to depend on a consistent supply of paper from Canadian producers. These tariffs will impose hardships on both paper manufacturers in Mississippi, as well as publishers and printers.

Newsprint Manufacturer in Mississippi

In my district, Grenada, Mississippi is home to Resolute Forest Products which operates a mill that produces over 230,000 metric tons of newsprint annually, and employs 166 individuals in well-paying jobs in a very rural area of the state. Although newsprint demand has declined by 75 percent since year 2000, Resolute is committed to continued production at Grenada, investing nearly \$20 million in the past several years to improve efficiency, environmental performance and quality of the paper produced there. The mill sells newsprint to publishers in the Southeast, Mexico and Latin America.

Adding tax to the sale of any product means less of it will be sold. This certainly holds true for newspaper publishers and commercial printers across the U.S. who purchase this paper from Canada to produce newspapers and advertising inserts.

Publishers have reported that paper is their second highest operating cost behind labor. Operating on razor thin margins already, they are in no position to absorb additional costs without cutting expenses somewhere else. Although the full impact of the tariffs has not yet been experienced, newspapers are already reporting cost increases adjusted by reductions in frequency, page count, and jobs.

Smaller, less frequently published newspapers means that overall, less newsprint will be consumed. This is bad news for my district, including Resolute's Grenada, Mississippi mill and the over 100 newspapers across the state, most of them small publications in rural areas where the newspaper is the primary source for community news and advertising.

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Mississippi Newspaper Publishers

Two state newspapers, one of which is located in my district, recently announced they plan to reduce publication frequency from seven to five days per week-- The Vicksburg Post and the Natchez Democrat. I'm am sure others will follow as they look for ways to compensate for cost increases.

Many of our state's newspapers serve smaller communities in rural areas, and are the primary source for local news, advertising, and community events and programs. They are most at risk, operating on small budgets and limited schedules. Cutbacks in publications, and in some cases closing down altogether, threaten the life and economy of these small communities.

And lastly, and possibly most important, are the jobs tied to the producers of paper, the publishers and the commercial printers. In Mississippi, where our unemployment level averages close to 5 percent, we need to maintain current jobs and find ways to add new job opportunities to the workplace.

In closing, I hope that the Commission will look closely at the unintended consequences of this decision and its impact on various sectors of the industry, and choose to support the U.S. paper industry by not imposing trade sanctions on imports of uncoated groundwood paper from Canada. This supply is the lifeline for many publishers and printers who depend on it to produce their publications, and actions to slow the decline in demand will help protect manufacturers like the newsprint mill in Grenada.

I urge you to take full consideration of the negative impacts and disparities these tariffs will cause across the U.S., including the rural areas that benefit from newsprint in the Second Congressional District of Mississippi. Thank you for your time and attention to this request. If I can provide any additional information, please do not hesitate to contact Claytrice Henderson in my Washington, D.C. office at 202-225-5876 or via email: claytrice.henderson@mail.house.gov.

Sincerely,



Bennie G. Thompson
Member of Congress (MS-02)