

Everything You Need to Know About Newsprint Tariffs

- The News Media Alliance is very disappointed with the Department of Commerce's (Commerce) preliminary determination assessing countervailing duties on uncoated groundwood paper that is used by newspapers and other commercial publishers and printers. This is the first of two announcements on duties as Commerce is expected to release its preliminary decision on antidumping duties on March 8. The U.S. International Trade Commission (ITC) will conduct its final investigation in this case later in the Spring, and is expected to reach a final determination regarding any injury to the domestic industry by September 2018.
- The petitioner for countervailing and antidumping duties, is NORPAC, which operates a single mill in Washington State. NORPAC is an outlier that is owned by a New York hedge fund operator, with no additional pulp or paper operations in the United States or globally. Its owners are now seeking government protection through trade sanctions. In contrast, the majority of the U.S. newsprint manufacturers, and even the national trade association for the U.S. paper industry - the American Forest and Paper Association - as well as their U.S. customers, oppose this move. U.S. producers, printers, publishers, and the reading public would be harmed by new duties.
- The demand for newsprint has been in steady decline in the U.S. The reason is not unfair trade but a well-documented decline in the newspaper industry. Over the last 10 years, newspapers have lost roughly 30 percent of their print subscriber base as readers have moved from printed newspapers to digital alternatives for news and information.
- From 2014 – 2016, neither the United States, in general – nor NORPAC, in particular – lost market share to Canadian imports. In fact, during this period more uncoated groundwood capacity was eliminated in Canada than in the United States, and while capacity fell, so did Canadian exports to the United States.
- Furthermore, the ITC's preliminary report in September recognized that "newsprint tends to be supplied by producers in that region," and pricing reflects the regional marketplace. The report also showed that almost 91 percent of Canadian newsprint comes into the Midwest and Northeast, and only 4.6 percent enters NORPAC's region (the Pacific Northwest), undermining any claim of harm due to international trade.
- The U.S. newspaper publishing and commercial printing sector employs more than 600,000 people in locations across the U.S. Alternatively, the petitioner that supports protectionist aid employs approximately 260 people at just one mill. More specifically, the U.S. newspaper publishing sector employs more than 175,00 000 people in small towns and major cities across the United States.

- Newsprint tariffs cannot be absorbed by publishers and commercial printers. These tariffs will force publishers and printers to cut costs and likely will lead to more job losses in both the newspaper and newsprint industries. This result is not what is intended by U.S. trade law.
- Recognizing the threat, and the inappropriate nature of the action by NORPAC to manipulate our trade laws, Members of Congress have gone on record expressing opposition to the imposition of duties. **Letters** signed by 34 Members of the House of Representatives and 8 members of the U.S. Senate have already been sent to Commerce Secretary Wilbur Ross.
- A range of other business associations and state agencies, including state economic development departments, chambers of commerce, and associations of printers and publishers; state and local political officials; think tanks, such as the Heritage Foundation; and other interested parties have also communicated their concerns about this case.
- The Commerce Department should heavily scrutinize NORPAC's petition for antidumping duties on uncoated groundwood paper, and should protect newspapers, commercial printers and the public from one company's brazen attempt to manipulate the trade laws for its own financial gain. Furthermore, Members of Congress should express concerns to the Commerce Department and the International Trade Commission that newsprint tariffs will simply accelerate the decline in the newspaper and newsprint markets and lead to a net loss of U.S. jobs in both the newspaper and newsprint industries.

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