

NEW TAXES ON NEWSPRINT WILL REDUCE ACCESS TO NEWS AND COST U.S. JOBS

Background

The U.S. government has imposed crippling new tariffs on Canadian imports of uncoated groundwood paper (UGW), which includes newsprint used by newspapers, book publishers and printers. These new taxes, which were slightly revised by the Department of Commerce on August 1, range as high as 20 percent.

These tariffs are not the result of a policy directive by the Trump Administration but were initiated through a petition filed by North Pacific Paper Company (NORPAC), a Washington State paper mill owned by private equity firm One Rock Capital Partners. NORPAC alleges that Canadian imports of UGW are being subsidized by the Canadian government and shipments are being dumped into the U.S., putting downward pressure on price. No one else in the U.S. paper industry — including the American Forest and Paper Association — supports the NORPAC petition because they know that tariffs on Canadian newsprint will decimate their customer base and accelerate the decline of their newsprint businesses.

Talking Points

NEWSPRINT TARIFFS WILL RESULT IN A NET LOSS OF JOBS: We support strong trade enforcement to protect U.S. industries and U.S. jobs. However, this is a unique case: (1) The petition was put forward by one mill without the support of the U.S. paper industry. In fact, the American Forest and Paper Association opposes the petition; (2) The tariffs will result in the loss of thousands of jobs in the U.S. publishing and printing industries, as well as the U.S. paper industry.

NEWSPAPERS CANNOT ABSORB NEW COSTS: These tariffs, which have been collected since January, have caused the price of newsprint to increase by as much as 30 percent. These new costs cannot be absorbed by newspapers, as we continue to experience declines in print advertising revenue, which is the primary source of revenue for newspapers. Many newspapers have announced layoffs and almost all newspapers have implemented plans to reduce newsprint consumption, including the elimination of distribution days and/or news coverage in local communities.

SMALL TOWN, RURAL PAPERS WILL BE HIT THE HARDEST: The higher prices and limited supplies are creating a crisis for small-town and rural newspapers. Some community and rural newspapers may have to permanently shut their doors. Once a paper shuts down, it does not come back.

What Can Members of Congress Do to Help?

CO-SPONSOR THE PRINT ACT: The PRINT Act, introduced in the Senate and House (S. 2835 /H.R. 6031), would suspend the import taxes until the Department of Commerce completes a study on the impact of the tariffs on the newspaper and printing industries.

I encourage you to co-sponsor this legislation to suspend these damaging tariffs and protect the distribution of local news and other information in our community.

Key Features of the

Protecting Rational Incentives in Newsprint Trade Act of 2018 or PRINT Act

S. 2835, Senators Collins (R-ME) and King (I-ME)

H.R. 6031, Rep. Kristi Noem (R-SD) and Rep. Charlie Crist (D-FL)

NARROWLY TAILORED TO PROTECT AMERICAN JOBS IN PRINTING AND PUBLISHING:

- Taxes on Canadian imports of newsprint (uncoated groundwood paper) threaten to seriously and irreversibly harm the U.S. printing and publishing industries.
- The PRINT Act seeks to protect the printing and publishing industries by pausing the collection of import taxes while the Department of Commerce reviews the economic outlook of these industries and issues a report to the president and to Congress. If the president certifies that the taxes are in the economic interest of the United States, the import taxes will be fully imposed.
- The Act is narrowly tailored; the pause of the taxes applies only to the uncoated groundwood paper case. Importantly, the legislation does not alter in any way the underlying trade policies, the statutory criteria in antidumping/countervailing duties cases or the executive branch's authority over such cases.
- Protecting small newspapers and local businesses is a key motivation behind the PRINT Act. For example, the Act requires the Department of Commerce to consider whether "measures undertaken by publishers and printers to reduce costs have harmed local businesses that advertise in local newspapers."
- The PRINT Act ensures prompt action, requiring the study to be completed within 90 days of passage.