

Recently purchased by New York City-based hedge fund One Rock Capital.



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This press release is riddled with inaccuracies. It's presumptuous and sloppy, amounting to nothing more than propaganda on behalf of an outlier producer and their new hedge fund owners who are attempting to perversely manipulate trade law.

Not tariffs. They are deposits on estimated duties that could go up or down or disappear entirely upon final determinations.

No significant subsidies were found.

Let's talk about the **sweet-heart deal** NORPAC receives from Bonneville Power. Can NORPAC stand up to the scrutiny of the enormous taxpayer support they're receiving from various authorities?

NORPAC does not operate in GA or MS. In fact, the company operating newsprint mills in GA and MS and a partnership in WA **opposes NORPAC's petition.**

Mills in these states will **not benefit** from this action because newsprint is fundamentally a regional market.

There's no evidence that any mills have closed because of competition from Canada. They've closed because of the decline in consumption with the switch to digital. Correlation does not equal causation!

What does "high-quality journalism" have to do with the price of newsprint? Of course, we'll see less high-quality journalism **as a result of this action.**

This unrealistic figure shows NORPAC's **complete ignorance of the business of their customers.** NORPAC fails to see the unintended consequences of their actions.

U.S. Department of Commerce Finds that Canada Improperly Subsidizes Producers of Uncoated Groundwood Paper

Levelling the playing field for the U.S. industry, Canadian uncoated groundwood paper imports to now require CVD deposits to enter the country legally

LONGVIEW, WA. — North Pacific Paper Company (NORPAC) today commended the U.S. Department of Commerce for its preliminary countervailing duty (CVD) determination covering subsidized uncoated groundwood papers from Canada. As a result of these determinations, the Department of Commerce will impose tariffs on imports of uncoated groundwood papers to offset the unfair advantage provided by Canadian government subsidies.

The decision doesn't "confirm" anything. It's only preliminary.
"Today's affirmative decision by the Department of Commerce confirms that Canadian uncoated groundwood papers benefit from significant levels of government subsidies," said Craig Anneberg, CEO of NORPAC. "What the U.S. uncoated groundwood papers industry wants is a level playing field, and this decision is an important step forward for American producers, workers and their families that have been the victims of unfair Canadian trade practices for too long."

The Department of Commerce found that Canadian uncoated groundwood paper was subsidized by an average of 6.53 percent.

"NORPAC has a world-class facility that can compete with anyone around the world, but we need to be able to compete on a level playing field. This decision will protect American jobs in Washington, Mississippi and Georgia, and may even serve to create jobs in the U.S. as idled paper machines restart," said Anneberg.

Today, there are groundwood paper mills operating across the U.S., primarily located in Washington state, Georgia and Mississippi, which support family-wage jobs and countless community businesses and supporting industries.

In the face of unfair competition since 2012, more than ten American mills have closed costing approximately 2,150 jobs, reducing the U.S. groundwood paper industry's production capacity by nearly 70 percent. During this time, U.S. producers' share of the American market has plummeted from 60 percent to 36 percent.

Where are these numbers coming from?

The U.S. uncoated groundwood papers industry and NORPAC are not alone in seeking and finding relief from unfair trade. Today's Department of Commerce decision follows similar trade cases in the last five years, which also found that supercalendered papers and softwood lumber imports from Canada were being subsidized causing material injury to U.S. manufacturers and jobs. Other cases found that imports of foreign coated and uncoated papers were also being subsidized causing injury.

"While we understand the concerns recently surfaced by some newspaper publishers, we strongly disagree with the notion that their industry requires low-priced, government-subsidized, imported newsprint from Canada to sustain its business model. High-quality journalism in communities across the country should not depend on unfairly traded inputs that cause material injury to a U.S. industry and American jobs," added Anneberg. "We estimate the impact this ruling would have on the cost to produce the average printed newspaper would be less than \$.05 per newspaper - a small price to pay to preserve American manufacturing jobs"

Continuing to innovate, retool and invest for the future, NORPAC operates one of the largest and most efficient paper mills in the U.S., which produces a broad range of high-quality papers to customers across the United States and around the world. Recently, the company unveiled affordable, sustainable Natural Choice Paper™, which is made with a process that yields twice as much paper from the same amount of wood, compared to standard copy paper.

"NORPAC is one of the largest employers in rural Southwest Washington and Northwest Oregon," concluded Anneberg. "These are strong, family-wage manufacturing jobs that cannot be replaced in a rural community that faces some of the highest unemployment in the region."

On August 9, 2017, NORPAC filed antidumping and countervailing duty petitions with the U.S. government. The Department of Commerce will issue its preliminary determination in the companion antidumping investigation on March 7, 2018. The Department is expected to make final antidumping and countervailing duty determinations in July 2018, and the International Trade Commission will make its final injury determination in August 2018.

A preliminary determination of subsidy is **NOT proof.**

There's virtually **unanimous objection** to NORPAC's petition. Who are they to speak for U.S. producers when none of them support this action?

There are no "victims" of Canadian trade practices. NORPAC's concern for American workers rings hollow considering this action threatens over **600,000 people** in the U.S. newspaper publishing and commercial printing sector. Letters from **1,100 newspapers** across the U.S. as well as from 8 Senators and 34 members of the House of Representatives have been submitted to the Secretary of Commerce in opposition to NORPAC.

Since 2000, North American consumption of newsprint is down 75% with an estimated continued annual decline of about 10%. **This move will cost American jobs**, not create them. The industry agrees almost unanimously that this is an attempt to perversely manipulate trade law and, in doing so, kill American jobs.

What about the people in small to medium-sized newspapers around the country that will **lose their jobs** as a result of this action? For many businesses in small towns across the U.S., local newspapers serve as a lifeline to their community and the outside world.

NORPAC is an outlier and alone in seeking these remedies. They are simply **copying allegations from other cases.**

NORPAC **presumes to know** the business model of their customers better than their customers.