

United States Senate

WASHINGTON, DC 20510

January 4, 2018

The Honorable Wilbur Ross
Secretary, U.S. Department of Commerce
1401 Constitution Ave N.W.
Washington, D.C. 20230

The Honorable Robert E. Lighthizer
United States Trade Representative
600 17th Street N.W.
Washington, D.C. 20508

RE: Investigations 701-TA – 584 and 731 – TA – 1382

Dear Secretary Ross and Ambassador Lighthizer:

We are concerned about the pending investigations into the import of uncoated groundwood paper from Canada, including imported newsprint and other commercial printing papers. As you investigate this issue, we urge you to consider the potential negative impact that any trade remedy would have on the U.S. newspaper and commercial printing industries, as well as the overall U.S. paper manufacturing industry. Additionally, this investigation will impact the U.S. economy overall because marketers in all sectors utilize this type of paper for much of their marketing efforts.

The U.S. newspaper publishing and commercial printing sector employs more than 600,000 people in locations across the United States. By contrast, the proposed trade intervention would benefit a single petitioner that employs approximately 260 individuals at one mill. Thousands of highly paid paper manufacturing jobs in the United States, many of which are located in rural areas, are potentially at risk.

The printing industry alone is an \$82 billion industry in the United States and still employs nearly 450,000 people. Additionally, the printers and the paper manufacturers that supply the United States are part of an integrated supply chain that supports a mailing industry that is part of the backbone of the U.S. economy. According to a recent jobs study conducted by the Envelope Manufacturers, this supply chain employs 7.5 million people in the United States and accounts for \$1.4 trillion in economic activity. Imposing punitive duties on paper that is an essential raw material for American manufacturers will likely increase costs for the American consumer and cost jobs here in the United States.

It is our understanding that the majority of U.S. newsprint manufacturers, and even the national trade association for the U.S. forest and paper industry, the American Forest and Paper Association, as well as their major U.S. customers, oppose this petition. U.S. producers, printers, and the consuming public would be harmed by the market-distorting imposition of duties.

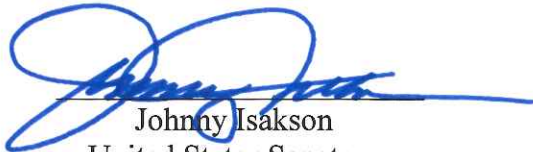
Over the last ten years, there has been a dramatic and well-documented shift toward digital alternatives to printed products by both consumers and advertisers. Accordingly, there has been reduced demand for newsprint in North America given this structural shift in media and advertising. Since the year 2000, North American newsprint demand has declined by over 75 percent.

Notwithstanding the decline in demand, people in small towns all over America still depend on their local newspapers. These petitions threaten to put those newspapers out of business and cut off rural and small-town America from their local news as well as from marketing opportunities that are vital to economic growth in these communities.

Newspaper publishers have also seen a significant decrease in advertising revenue, and as a result, it is unlikely that they could pass along to consumers any increased production cost associated with these duties. Trade sanctions could hurt U.S. manufacturers of groundwood paper and the nation's printers and their employees, since the decrease in demand could lead to an even faster decline in these jobs.

Uncoated groundwood paper demand is in steady decline in both the United States and Canada. It is market erosion, not unfair trade, causing today's competitive turmoil and job losses in the newsprint and commercial printing sectors. When Commerce issues its preliminary determination this month, we urge the Department to fairly assess the potential impacts any punitive duties on uncoated groundwood paper could have on hundreds of thousands of American jobs and the local news lifeline for rural small towns.

Sincerely,




Johnny Isakson
United States Senator




Shelly Moore Capito
United States Senator




Deb Fischer
United States Senator

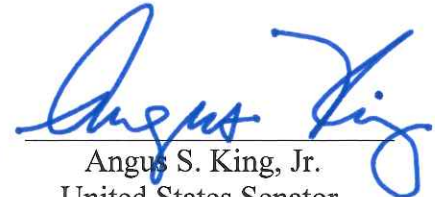


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