Senate Finance Committee

April 8, 2025

My state has nearly 300 local newspapers that serve as the economic barometer of their community. These home grown companies would be severely impacted by tariffs causing further erosion of the local economy. Newsprint and other specialty paper used in newspapers and magazines must be exempted from current and future tariffs under consideration on imports from Canada and other countries that are major suppliers of paper to the U.S. With continued skyrocketing postal costs, tariffs, and other business costs, newspaper and magazine companies will close. U.S. manufacturers have already announced increased prices of at least fifteen percent as well as additional surcharges.

We are already seeing the adverse effects of these levies. Unfortunately, the Cortland Standard, a family-owned newspaper in New York and one of the five oldest family-owned newspapers in America, <u>announced</u> on March 13 that it would be closing in part because of the upcoming tariffs. I fear that additional news outlets will close in my state, leading to more news "deserts", which will in turn result in higher rates of corruption, higher taxes, lower bond ratings, and a lack of information. Many seniors and those in rural areas depend upon their print newspaper and magazines.

The market for newsprint has always been regional and local in nature, close to their printing operations. There are currently only three U.S. mills that produce newsprint, two in Washington State and one in Mississippi. With Wisconsin being right over the border from Canada, the newspapers in my district simply must purchase from Canada. Furthermore, due to the capital-intensive nature of paper making and a decline in paper use, no new U.S. investment in paper production will be forthcoming. Canada is the largest manufacturer of paper in the world and has been a tried-and-true supplier to our local newspapers and magazines.

The Plymouth Review in Wisconsin printed an editorial on March 7. "This newspaper has been struggling to claw our way out of three years of eye-watering postage increases. And now this. Newsprint, the actual paper this is printed on, obviously is a huge part of our printing expense. And 100% of that, for us, comes from Canada. While there is a tiny U.S. newsprint supply, it cannot replace what is produced in Canada..."

The 2018 tariffs on Canadian imports of uncoated groundwood paper, which were ultimately reversed, seriously disrupted the newsprint market, increasing costs by over 30 percent and forced newspapers to reduce their print distribution and cut staff. I am very concerned about local newspapers and magazines closing in my state.