

The Honorable Wilbur Ross
Secretary of Commerce
Attention: Enforcement and Compliance
APO/Dockets Unit, Room 18022, U.S. Department of Commerce
14th Street and Constitution Avenue, NW
Washington, DC 20230

In Re: *Uncoated Groundwood Paper from Canada, Inv. Nos. C-122-862 and A-122-861*

Dear Secretary Ross:

We are printers for newspaper publishers. In some cases, our companies also own and publish newspapers. In others, we are part of the supply chain to publishers in need of web-based printing on uncoated groundwood paper, or newsprint. We are importers of newsprint as well as users of domestically-produced newsprint. We are speaking on behalf of our companies and our customers.

The findings of the International Trade Commission in the dockets referenced above draw seriously wrong inferences from the data they see on newsprint prices. The findings lead to an unsupportable conclusion which could lead to seriously-harmful consequences for newspapers in America, particularly small publications, as well as domestic paper producers.

Newsprint consumption has unquestionably declined. Newspapers are printing fewer copies and fewer pages as their markets evolve and they become more digitally-oriented. In many smaller and rural communities where paper copies are in higher demand, publishers face troubled economies that have not fully recovered from the recession; hence their advertising revenues may not permit fatter and more robust newspapers.

It is accepted without question in Washington DC that the Internet has affected newspapers by shifting readers to websites or mobile applications. But other factors have affected newspapers as well, including: a loss of automobile dealerships during the Recession, a loss of department stores, a consolidation of banks and a general shrinkage of retail outlets as large discount houses have subsumed what was once a thriving Main Street. These businesses were big advertisers in newspapers even a decade ago. As they have disappeared from our environment, newspapers have lost revenue and have correspondingly made cuts in their paper consumption to try to stay afloat.

The Commission's analysis did not take into account the most significant factor we face in pricing our services: the customer's ability to pay. As the economic restructuring above has played out, publishers have less money to spend. While the printing marketplace remains somewhat competitive on a national scale, newspaper publishers are constrained by geography in their choices of providers. In other words, they must select services from a printer reasonably nearby so that the news can be delivered on time. So it is not competition holding back our prices so much as our recognition that publishers do not have the funds to accommodate ever-rising prices. The customers have less revenue; we have less revenue. To stay within budgets, we cut consumption, print wider columns and narrower sheets, and explore all efficiencies. We purchase only from paper dealers and producers who can meet the price that our own markets will bear.

We recognize that the paper industry has reduced capacity as our demand has fallen. We submit that these capacity reductions would have occurred because of the extraneous factors above, independent of foreign paper prices.

There is no doubt in our minds that a substantial tariff on newsprint would lead to an accelerated reduction in demand. Domestic producers would not find themselves rewarded by increased market share and pricing power. Rather they would find fewer and smaller orders as an ill-advised tariff decision sharpened a tipping point that many of us struggle to avoid. As for our customers, many can barely pay their printing bills now. An escalation in paper prices would push some over the edge, and cost their communities not only the newspaper jobs but the news and advertising support that drives other local jobs.

Our customers are adapting, and we are adapting. In time, we will find our markets back in balance, as we find new efficiencies and more stable customer markets. That is, we will find our balance if the Department does not stun our industry with dramatically higher prices.

Our newspaper customers devote their livelihoods to keeping America informed. Their work is ever more challenged these days. We hope the Department will determine that there is no need for trade sanctions in the uncoated groundwood marketplace. Many more jobs would be lost than would be gained by these sanctions. We respectfully request that this letter be placed on the official record of the Department's Uncoated Groundwood Paper investigation.

/s/
(companies listed by name, city, state)