

Testimony of Senator Susan M. Collins

**Hearing on Antidumping and Countervailing Duty Investigations No. 731-TA-1382 and
No. 701-TA-584, *Uncoated Groundwood Paper from Canada***

U.S. International Trade Commission

July 17, 2018

Chairman Johanson and members of the Commission, I appreciate the opportunity to testify before you today on the imposition of countervailing and antidumping duties on uncoated groundwood paper, better known as “newsprint.” I support strong trade remedy laws that protect American jobs and industries; however, in this particular case, the tariffs are harming the very U.S. industry they are supposed to protect. The tariffs will hurt the U.S. paper industry because they will cause permanent harm to newspapers, printers, and book publishers, shrinking the U.S. paper industry’s customer base. In fact, the tariffs will likely lead to less production of newsprint by U.S. manufacturers as customers cut their consumption once and for all. This is simply not the way Congress intended the trade laws to work.

Indeed, if the preliminary duties are finalized in this case, some newspapers will go out of business forever, permanently reducing demand for newsprint produced by U.S. mills. While the one mill that brought this petition may be able to add jobs in the short-term, it will do so at an enormous cost to jobs in the publishing and printing industries as well as in its own industry over the long term.

In my home state of Maine, 100 percent of the newsprint used by our newspapers comes from Canada. There are no longer any mills in Maine that produce newsprint. The average increase in newsprint cost in Maine is already 22.5 percent, as a result of tariffs implemented earlier this year, and newsprint is second only to personnel in most newspapers’ expenses.

Some newspapers in my state have already reduced the number of pages they produce and the newsworthy events they are able to cover. This is much more than a mere financial setback for one industry. For many of our small town and rural newspapers, these tariffs, if finalized, would harm the dissemination of information about our communities, our government, and the world around us.

This century has already seen challenges in the printed newspaper industry. But there is still a strong demand for printed newspapers across the country, particularly in areas without access to broadband internet. For many newspapers, it is the printed version that provides essential revenue that supports much of the content that is developed and distributed in print and on digital platforms. This case is speeding the decline in an industry that plays an important role in our society, and at the same time, endangering more U.S. jobs, while not creating them in the domestic uncoated groundwood paper industry.

In response to the significant increase in the price of newsprint in Maine and around the country, since the anti-dumping and countervailing duty processes are not working as intended, and because of the unique role newspapers play in our democracy, I introduced the Protecting

Rational Incentives in Newsprint Trade (or “PRINT”) Act of 2018. The PRINT Act currently has 29 co-sponsors—Republicans, Democrats, and an Independent—and an equally robust number of supporters on a House companion bill. Our bill would suspend the tariffs on newsprint while the Department of Commerce examines the health of the printing and publishing industries.

It is important to note the PRINT Act does not amend the trade laws. The legislation does not propose that Congress step in and substitute its judgment. The bill recognizes the unique, unintended consequences in this one case—the potential for the failure of newspapers, and the resulting reduced access of news and advertising, particularly in small towns and rural communities.

It is designed to ensure that the government makes decisions about these import tariffs with an understanding of all the anticipated and potential collateral effects on the U.S. industry and jobs. I mention our bill to emphasize the depth of congressional concern about these tariffs.

I urge the Commission to recognize the unusual nature of the facts of this case during its deliberations on the extent of injury. Thank you again for the opportunity to testify today.