

Testimony of Senator Isakson before the International Trade Commission on July 17, 2018

- Thank you for the opportunity to testify today.
- I appreciate the hard work that you do as commissioners, and the role you play in administering our trade remedy laws.
- I am here today, along with many of my colleagues, to express my deep concerns about the consequences of tariffs on uncoated groundwood paper, commonly used in newsprint.
- I am concerned that imposing tariffs would harm several employers in Georgia, including:
 - Resolute Forest Products, which employs 169 Georgians at their Augusta mill.
 - They have an annual economic impact of \$100 million.
 - Cox Newspapers, which is headquartered in Atlanta, and owns the Atlanta Journal-Constitution and several other newspapers across the country.
 - Papers, like my hometown paper – the Marietta Daily Journal, which has been around since 1866– are growing more and more concerned about the negative impacts small, community papers will experience.
 - The Georgia Press Association representing 130 small town papers in rural communities has expressed the same growing concern.
 - Quad Graphics employs nearly 500 Georgians at their commercial printing facilities in Valdosta and The Rock, Georgia.
- I have been vocal about my concerns that levying tariffs could backfire, and instead of protecting U.S. manufacturers, they could actually harm them.
- Our trade remedy laws are meant to correct market interferences and disruptions, not to create them.
- Sadly, I believe that levying tariffs, particularly on newsprint, could accelerate the decline of newspapers and local news.
- We are all aware of the challenges that face printed newspapers, and since 2000, the North American demand for newsprint has dropped 75 percent.
- Levying tariffs could deliver a deathblow to some newspapers, especially local and regional ones, who are facing rising prices and supply shortages.
- Again, if we are to let the markets dictate the trends, we should let consumer preferences determine how many papers are printed, how many retail inserts are used for advertising, and how many paperback books are sold.
- Producers will react, as they have, to these market forces and they will right-size their production.
- While the market is changing - and business will admit that is in decline - there are still millions of people who subscribe to printed newspapers; use advertisement inserts to find sales and coupons for stores like Target and Walmart; and read those paperback books.
- One such example is the \$6 million investment made in Augusta, which increases efficiency, reduces operating costs, and improves the quality of the newsprint produced there.
- Producers are adapting to the market and some are retooling their facilities to make products serving new and growing markets.

- SP Fiber Technologies, headquartered in Dublin, GA, was one of the first to take on this innovation.
- At their facilities in Georgia and Oregon, they have converted about 290,000 metric tons of newsprint production into producing boxes.
- This shift was guided by the market's growing demand to serve the packaging needs of e-commerce.
- Management innovations like this – not trade sanctions – will do far more to protect our nation's mill workers and their customers.
- Printed newspapers remain a vital part of our country's free press, which is a key component of our democratic governance and civic life.
- At the local, regional, and national level, these papers help us understand and provide necessary context to the events unfolding here at home and across the globe.
- Local papers keep us informed about the daily ins and outs of our communities' lives.
- They let us know which high school seniors just made the honor roll or whether or not the local football team won the state championship.
- They provide us pictures of our kids at graduation, or our hometown veterans marching in the 4th of July parade.
- They let us know when our local grocery store has a weekly special on milk and eggs.
- In conclusion, I reiterate my concerns that tariffs in this case could unnecessarily disrupt this market.
- It is my view that sound business decisions, based on market conditions, should guide the production and supply of newsprint.

THE ALBANY HERALD

OUR VIEW: Newsprint tariffs threatening newspaper industry

By: The Albany Herald Editorial Board

(June 30, 2018)

With stories about tariffs dominating the news, it's easy to wonder how they may affect you. That is an easy question to answer for those who work in the newspaper industry.

Though it is not publicized the same way that tariffs on aluminum and steel have been, tariffs on Canadian newsprint are causing major troubles for all newspapers in America, hitting community papers such as The Albany Herald particularly hard.

"This misguided and unlawful use of trade tariff to benefit One Rock Capital Partners will have crippling implications for all American newspapers and media companies. Thousands of American jobs will be lost, and newspapers will be forced to increase prices out of range for many that rely on a free exchange of local ideas and information," Scot Morrissey, president and publisher of The Albany Herald and albanyherald.com, said. "This is not fake news; this is real. As a result of this tariff, local newspapers all over American will be forced to close their doors, thousands of local American jobs will be lost and the gain goes to one company only — a New York hedge fund. That's one hedge fund at the cost of crucial pieces of our democratic balance that local newspapers like The Albany Herald provide."

Why is Canadian newsprint in such high demand? Canadian paper producers have supplied the U.S. for many years. They have some natural advantages over U.S. papermakers because of hydroelectric power and shipping costs. More than a dozen U.S. mills have stopped making newsprint in the last decade because demand for paper has declined.

Today, even if Canadian paper disappeared because of high tariffs being proposed to the federal government, the U.S. paper mills could not supply newspapers with the paper they need, according to the National Newspaper Association.

One small paper mill in Washington state is trying to use the federal trade and tariff laws to make imported newsprint more expensive. This mill has complained to the U.S. Department of Commerce and International Trade Commission about international competition.

What began in January with the U.S. Commerce Department imposing a 6.2 percent tariff on imports of newsprint from Canada has increased to the point where newspaper printers have seen as much as a 32 percent increase in the cost of newsprint.

In addition to the higher costs, newsprint has become more scarce, with some newspapers struggling to get their regular shipments. All of this adds up to many newspapers contemplating steps to offset the high costs. According to surveys by the New Media Alliance, 70 percent of newspapers say they expect to make plans to cut consumption, while 38 percent say they are looking at the painful possibility of reducing staff.

The ramifications of this tariff has prompted Congress to introduce bipartisan legislation to suspend it until a study can be made regarding the well-being of the newsprint and local newspaper publishing industry. We appreciate the support of U.S. Senator Johnny Isakson, who is one of the co-sponsors of the Protecting Rational Incentives in Newsprint Trade, or PRINT, Act of 2018.

Said Isakson: "Local newspapers are a vital source of news and community information, especially in rural and small-town America. Unfair or punitive action taken against producers of groundwood paper would threaten to put many Georgia newspapers out of business and could cost up to 1,000 jobs in Georgia.

"I have consistently fought for a level playing field for domestic producers, but in this case, unfair manipulation of trade remedy laws could endanger jobs across Georgia and the country. We are urging the administration to exercise caution in its pursuit of new tariffs on imported newsprint until Congress can review and understand the full possible effects on this industry before these taxes are collected."

Passing the PRINT Act would:

- Require a study by Commerce on the economic well-being, health and vitality of the newsprint industry and the local newspaper publishing industry in the U.S.;
- Require a report from the Commerce Secretary to the president and Congress within 90 days that includes both the findings of the study and any recommendations the secretary considers appropriate;
- Pause any affirmative determination by the DOC or ITC (U.S. International Trade Commission) until the president certifies that he has received the report and has concluded that such a determination is in the economic interest of the United States;
- Halt the collection of cash deposits for uncoated groundwood imports currently under investigation at the Commerce Department until the president has made such certifications.

A hearing has been scheduled for July 17 on the tariff, and a final decision is expected from the Commerce Department on Aug. 2.

We hope the PRINT Act is passed for the good of all American newspapers. And we ask those of you who support local newspapers to let your voices be heard by signing a petition in favor of the PRINT Act at www.stopnewsprinttariffs.org



EDITORIAL: New tariffs add 30 percent to the cost of printing news

(June 24, 2018)

While tariffs on steel and aluminum dominate headlines across the nation, those who print those headlines are feeling the impact of another border tax.

New tariffs on Canadian newsprint are wreaking terrible unintended consequences on America's community newspapers, the source of local news for millions of people in every city, town and hamlet across the country, and the jobs of more than half a million reporters, editors, advertising and production staffs in the printing industry.

It's like setting fire to grassroots America.

The crisis began in January when the U.S. Commerce Department imposed a 6.2 percent tariff on imports of newsprint from Canada, which provides most of this essential product to our newspapers. But in March, the tariff was increased by another 22 percent, delivering a virtual body blow to small-town newspapers that are far less able to absorb such a huge cost increase than are large newspapers, although they too have been hit hard.

Already, most newspaper printers have seen up to 30 percent higher cost of newsprint.

The newsprint tariffs follow President Donald Trump's hardline approach to global trade. Additionally, some believe it is driven by the president's distaste for what he calls the "liberal media's fake news." If the end goal is to curb print journalism, the new tariffs loom as an effective strategy.

At risk are thousands of American jobs. The newspaper, printing and publishing industries support 600,000 jobs, many of them at community newspapers such as the Marietta Daily Journal.

In Georgia alone, newspapers employ 10,000 workers, most on community newspapers. Many of these workers are in jeopardy of losing their jobs if these destructive tariffs are not lifted.

Newsprint is the largest operating cost after payrolls for the vast majority of newspapers. Imagine such a substantial line item in the expense budget suddenly jumping by one-third.

The consequences, as surveys by the News Media Alliance show, are that 70 percent of newspapers expect to take steps to cut consumption of newsprint and about 38 percent are looking at the painful option of reducing workforce.

And it's already happening. The Tampa Bay Times, Florida's largest newspaper, recently laid off about 50 employees as the direct result of the tariffs pushing up operating costs by \$3 million a year. At the other end of the spectrum is the Ozona Stockman in Ozona, Texas, the seat of Crockett County, population

3,765. Unable to get newsprint from its usual supplier in San Angelo, Stockman employees traveled to two other cities to get newsprint and look for a way to obtain it from another supplier.

This is what the Stockman staff said about the newspaper's predicament: "Those tariffs are job stealers and newspaper killers throughout the entire state and country."

The scenario is being played out at community newspapers throughout the country. The Commerce Department's tariffs resulted from a petition by a single newsprint mill in Washington State, claiming imports from Canada are unfair and injurious to its business. Other than the one company, the publishing, printing, paper and allied industries are solidly opposed to the tariffs and have formed a coalition to fight them.

The Georgia Press Association, of which all parent company Times-Journal newspapers are a member, is part of this coalition, as are state press associations throughout the nation.

Bipartisan legislation has been introduced in Congress to suspend the tariff until a study has been made of the economic wellbeing of the newsprint and local newspaper publishing industry.

One of the co-sponsors of this important legislation is U.S. Sen. Johnny Isakson of Georgia, who zeroed in on the issues involved.

"Local newspapers are a vital source of news and community information, especially in rural and small-town America," he said. "Unfair or punitive action taken against producers of groundwood paper would threaten to put many Georgia newspapers out of business and could cost up to 1,000 jobs in Georgia."

That is what we face in Georgia. Elsewhere, the outlook is much the same or worse. We ask our local representatives in the U.S. House to follow in the footsteps of Isakson by putting forward legislation to suspend tariffs imposed on imported groundwood paper from Canada.

The International Trade Commission has scheduled a hearing for July 17 on this tariff and we hope it will be lifted. But relief is needed immediately for newspapers large and small across America.

JACKSON PROGRESS-ARGUS myjpa.com

OUR VIEW: Newsprint tariffs threatening newspaper industry

(June 27, 2018)

With stories about tariffs dominating the news, it's easy to wonder how they may affect you. That is an easy question to answer for those who work in the newspaper industry.

Though it is not publicized the same way that tariffs on aluminum and steel have been, tariffs on Canadian newsprint are causing major troubles for all newspapers in America, hitting community papers such as the Jackson Progress-Argus particularly hard.

Why is Canadian newsprint in such high demand? Canadian paper producers have supplied the U.S. for many years. They have some natural advantages over U.S. papermakers because of hydroelectric power and shipping costs. More than a dozen U.S. mills have stopped making newsprint in the last decade because demand has declined.

Today, even if Canadian paper disappeared because of high tariffs being proposed to the federal government, the U.S. paper mills could not supply newspapers with the paper they need, according to the National Newspaper Association.

One small paper mill in Washington state is trying to use the federal trade and tariff laws to make imported newsprint more expensive. This mill has complained to the U.S. Department of Commerce and International Trade Commission about international competition.

What began in January with the U.S. Commerce Department imposing a 6.2 percent tariff on imports of newsprint from Canada has increased to the point where newspaper printers have seen as much as a 32 percent increase on the cost of newsprint.

In addition to the higher costs, newsprint has become more scarce, with some newspapers struggling to get their regular shipments. All of this adds up to many newspapers contemplating steps to offset the high costs. According to surveys by the New Media Alliance, 70 percent of newspapers say they expect to make plans to cut consumption while 38 percent say they are looking at the painful possibility of reducing staff.

The ramifications of this tariff have prompted Congress to introduce bipartisan legislation to suspend it until a study can be made regarding the well-being of the newsprint and local newspaper publishing industry. We appreciate the support of U.S. Sen. Johnny Isakson, who is one of the co-sponsors of the Protecting Rational Incentives in Newsprint Trade, or PRINT, Act of 2018.

Said Isakson: "Local newspapers are a vital source of news and community information, especially in rural and small-town America. Unfair or punitive action taken against producers of groundwood paper would threaten to put many Georgia newspapers out of business and could cost up to 1,000 jobs in Georgia.

"I have consistently fought for a level playing field for domestic producers, but in this case, unfair manipulation of trade remedy laws could endanger jobs across Georgia and the country. We are urging the administration to exercise caution in its pursuit of new tariffs on imported newsprint until Congress can review and understand the full possible effects on this industry before these taxes are collected."

Passing the PRINT Act would:

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- Halt the collection of cash deposits for uncoated groundwood imports currently under investigation at the Commerce Department until the president has made such certifications.

A hearing has been scheduled for July 17 on the tariff and a final decision is expected from the Commerce Department on Aug. 2.

We hope the PRINT Act is passed for the good of all American newspapers. And we ask those of you who support local newspapers to let your voice be heard by signing a petition in favor of the PRINT Act at www.stopnewsprinttariffs.org.



Editorial: Newsprint tariff will harm local newspapers, workers

(January 10, 2018)

The viability of local newspapers, including the one that you are reading now, is being challenged by an unnecessary tariff on the import of uncoated groundwood paper from Canada - the type that is used to print this newspaper and others across our state.

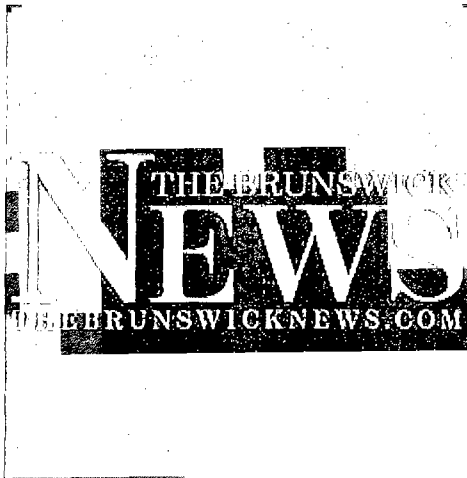
Simply put, Georgia's newspapers cannot absorb the additional financial burden this duty will create. It's based on a dubious complaint from a single paper mill and was just announced by the U.S. Department of Commerce. If fully implemented, the resulting hardship could lead to thousands of job losses in the newspaper industry. We are at an important juncture right now and our role of getting Real News to you on a daily or weekly basis matters more than ever. A credible news source that has a vested interest in community based news and information is the bedrock to our principles as a free nation.

Georgia's publishing industry and related news websites employ more than 1,000 people - many of which provide the only meaningful news coverage for small, rural communities. We are you. We are Georgia. We are local businesses.

Readers rely on newspapers to provide credible information about what matters most to them - news about local people, local government, local happenings, local businesses and important public notices that can impact a community.

Newspapers and newspaper associations are uniting against newsprint tariffs. This is not only a print industry concern but could ultimately affect other business segments that rely on paper products. Georgia's U.S. Sen. Johnny Isakson, U.S. Rep. Buddy Carter and other lawmakers have sent letters to U.S. Commerce Secretary Wilbur Ross and Robert Lighthizer, U.S. trade representative, requesting serious consideration of any punitive sanctions that would emerge from the investigation because of what they say would be negative impacts on American producers.

Please help us protect the future of newspapers by contacting Isakson, Sen. David Perdue or Carter to let them know that you oppose the proposed newsprint trade tariff. A free press is more important than ever and newspapers have always been at the forefront of serving our communities. We remain steadfast in our commitment to do so.



Paper tariffs challenge the freedom from the market

By The Brunswick News

(May 24, 2018)

We believe it is important to keep jobs in America, but not at the expense of rocking a longstanding industry and the people in this country who depend on it. From our own recent experience, we found a textbook case of where a free market is the right market for the local newspapers, the communities they serve and the hundreds of millions of people who depend on the local information they produce.

One of the many benefits of a free market is that people and businesses are free to purchase the products that best fit their needs for a more affordable price.

They are also free to find alternatives when certain necessary products are scarce or declining in quality. These are cornerstones for much of the American economy and business models and for centuries the freedom to choose providers for the products we use have kept people employed as business owners adapt to an ever changing landscape.

That freedom to choose suppliers for things like newsprint is one way newspapers around the country have been able to stay in business when readership habits and expectations change. Today, however, the market for newsprint is anything but free. Tariffs currently imposed on Canadian paper producers that make buying from them drastically more expensive have forced some newspapers to narrow their search for product to the five American producers of newsprint, the uncoated groundwood paper you are holding right now. American prices are just as high, and continue to climb. Another price increase is set for June.

On its face, this may seem like a boon for American jobs and businesses. For the American mills producing the paper, it may be. But a layer deeper, the consequences for many more jobs, many more businesses and many more people are much more dire. The Tampa Bay Times, The Salt Lake Tribune,

The Denver Post, just to name a few, are among the big names to already layoff a significant number of employees due, at least in part, to rising paper prices.

As more newspapers are forced to pay for the artificially expensive tariffed paper or choose from a smaller number of domestic paper producers, those producers have a more difficult time keeping up with demand. The cost of both the tariffs and of keeping up with the demand is passed onto the consumers, in this case newspaper and other commercial printing operations. Prices since January have already spiked more than 30 percent in some cases, and finding a supplier with enough paper to order is becoming more difficult by the week.

When you consider there are more than 600,000 people in the U.S. employed by newspapers and the commercial printing sector of the economy, the impacts of the current tariffs could devastate an industry.

We question the logic of imposing tariffs to protect a couple thousand jobs at the expense of potentially more than half a million. When newspapers contract, it means a loss of coverage of everything from local crime to local government. When that happens, communities suffer.

Newspapers and commercial printers should be free to buy paper from the suppliers that best suit their needs.

We applaud the efforts of U.S. Sen. Johnny Isakson, R-Ga., and the 13 other senators who signed on to stop the tariffs through the Protecting Rational Incentives in Newsprint Trade, or PRINT, Act of 2018.

America has long been a land of freedom. We have freedom to speak our minds and the freedom to report on our communities without interference from our government. We would hate to see those threatened by interference in the freedom to operate our businesses as we want to and need to.

Rome News-Tribune

Lift tariffs and save American jobs

(June 20, 2018)

The tariffs on Canadian newsprint have wreaked terrible unintended consequences on America's community newspapers, the source of local news for millions of people in every town and hamlet across the country, and the jobs of more than half a million reporters, editors, advertising and production staffs in the printing industry.

It's like setting fire to the grassroots of America.

This crisis began developing in January when the Commerce Department imposed a 6.2 percent tariff on imports of newsprint from Canada which provides most of this essential product to our newspapers. But in March the tariff was increased by 22 percent, delivering a virtual body blow to small town newspapers that are far less able to absorb such a huge cost increase than are large newspapers, although they have also been hit hard. Already most newspaper printers have seen up to 30 percent higher cost of newsprint.

At risk are thousands of American jobs.

The newspaper, printing and publishing industries support 600,000 jobs, many of them at small town newspapers like the Rome News-Tribune. In Georgia alone, newspapers employ 10,000 workers, most on community newspapers. Many of these workers are in jeopardy of losing their jobs if the unjust and destructive tariffs are not lifted. Please consider the impact on the families of employees who lose their jobs and no longer bring home their paychecks to put food on the table.

Consider that newsprint is the biggest operating cost after payrolls for the vast majority of newspapers. Consequently, as surveys by the News Media Alliance show, 70 percent of newspapers expect to take steps to cut their consumption of newsprint and about 38 percent are looking at the painful option of cutting their workforce. This is already happening. The Tampa Bay Times, Florida's largest newspaper, recently laid off about 50 employees as the result of the tariffs pushing up operating costs by \$3 million a year.

On the other end of the spectrum is the Ozona Stockman in Ozona, Texas, the seat of Crockett County, population 3,765. Unable to get newsprint from its usual supplier in San Angelo, Stockman employees had to travel to two other cities to get newsprint and look for a way to obtain it from another supplier. This is what the Stockman staff said about the newspaper's predicament: "Those tariffs are job stealers and newspaper killers throughout the entire state and country." That's the story of community newspapers throughout the country.

The Commerce Department's tariffs resulted from a petition by a single newsprint mill in Washington State, claiming imports from Canada are unfair and injurious to its business. Other than the one company, the publishing, printing, paper and allied industries are solidly opposed to the tariffs and have formed a coalition to fight them. The Georgia Press Association, of which the Rome News-Tribune is a member, is part of this coalition and so are state press associations throughout the nation.

Bipartisan legislation has been introduced in Congress to suspend the tariff until a study has been made of the economic wellbeing of the newsprint and local newspaper publishing industry. One of the co-sponsors of this important legislation is U.S. Sen. Johnny Isakson of Georgia, who zeroed in on the issues involved.

"Local newspapers are a vital source of news and community information, especially in rural and small-town America," he said. "Unfair or punitive action taken against producers of groundwood paper would threaten to put many Georgia newspapers out of business and could cost up to 1,000 jobs in Georgia." That is what we face in Georgia. Elsewhere the outlook is much the same or worse.

We would also like to ask U.S. Rep. Tom Graves to follow in the footsteps of Isakson by putting forward legislation to suspend tariffs imposed on imported groundwood paper from Canada, which is where much of the newsprint used by newspapers is produced.

The International Trade Commission has scheduled a hearing for July 17 on this tariff and we hope it will be lifted. But relief is needed immediately for newspapers small and large across America.