Policy Brief – Tariffs on Canadian Imports of Uncoated Groundwood Paper – June 2018

Congress should urge reversal of trade remedy tariffs to uncoated groundwood paper imported from Canada.

Background
A single paper supplier, NORPAC, alleges that Canadian imports of uncoated groundwood paper (UGW), which is used for newsprint, directories, book publishing, and circulars, are being subsidized or shipments are being dumped into the United States, putting downward pressure on price.

In September 2017, the International Trade Commission (ITC) made a preliminary determination that there was a “reasonable indication” of injury or threat of injury, which is a very low bar for moving forward. In January, the Department of Commerce released its preliminary determination assessing countervailing (anti-subsidy) duties on UGW imports from Canada. These duties range from 4.4 to 9.9 percent with an average of 6.53 percent.

On March 13, Commerce released preliminary anti-dumping duties that range as high as 22 percent. This means that some Canadian imports of newsprint are being assessed new taxes of up to 32 percent – right now at the border – as the investigation in this case continues. The duties are already causing a price shock and a disruption in the marketplace.

The ITC is in the middle of its final investigation and will have a public hearing on July 17. The ITC is expected to reach a final determination in mid-September.

Industry Position
The majority of the U.S. newsprint manufacturers and even the trade association for the U.S. paper industry - the American Forest and Paper Association - oppose the NORPAC petitions for import duties on Canadian newsprint. A decades-long shift toward digital platforms is the chief threat to U.S. newsprint producers; not unfair pricing from Canada. Since 2000, the demand for newsprint in North America has declined by 75 percent. Newsprint tariffs are being assessed now and are harming newspapers, printers and the U.S. newsprint industry. Higher costs of 25 to 30 percent are forcing publishers and printers to take steps to reduce production, print fewer pages, reduce distribution, and shift more of their news and advertising content to digital platforms.

115th Congress
Senators and Representative can help in one or more of the following ways: 1) Co-sponsor the “PRINT Act” (S. 2835 / H.R. 6031) that would put a pause on the new tariffs until the Department of Commerce studies and reports on the impact of the tariffs on the printing and publishing industries; 2) Testify at the ITC hearing on July 17; and/or 3) Submit comments to Commerce Secretary Ross and the ITC stating concern about and opposition to this tariff.