NEWS MEDIA ALLIANCE

October 11, 2018

Mr. Joseph Kruger II
Chairman of the Board and CEO
Kruger Inc.
3285 Chemin Bedford
Montreal, Quebec H3S 1G5, Canada

Dear Mr. Kruger,

I am writing to you on behalf of the News Media Alliance and the 2,000 national and local newspapers we represent across the United States. As detailed below, U.S. importers of uncoated groundwood paper, *i.e.* "newsprint", from Canada will be receiving refunds of antidumping (AD) and countervailing tariffs (CVD) paid during 2018. These refunds are the direct result of a successful joint effort by U.S. newspapers and Canadian newsprint producers as well as others in the publishing and printing industries. On behalf of our member newspapers across the U.S., the Alliance respectfully requests that you consider how your company may be able to share these refunds with newspapers to help them get back on their feet after the serious injury they suffered during the AD and CVD investigations conducted over the last year.

As you may be aware, the Alliance helped spearhead a huge effort alongside many of the Canadian producers of newsprint to combat the tariffs that the North Pacific Paper Company requested the United States government impose on imports of newsprint from Canada. This joint effort is another example in a long history of the newsprint producers and newspapers working together. Enlightened producers have long recognized that a healthy downstream newspaper industry is in their interest.

This joint effort against the tariffs included mounting a vigorous legal defense before the U.S. Department of Commerce and the International Trade Commission (ITC) as well as a hard-fought lobbying effort which resulted in the introduction of legislation, the Protecting Rational Incentives in Newsprint Trade (PRINT) Act of 2018, which would have prevented Commerce from giving effect to any AD or CVD orders that resulted from the investigations. More than 73 Members of Congress sponsored the PRINT Act, and 19 Members of Congress testified before the ITC against the tariffs. Ultimately, producers and publishers achieved a huge win on August 29, 2018, when the ITC unanimously voted against imposing AD or CVD tariffs on newsprint from Canada.

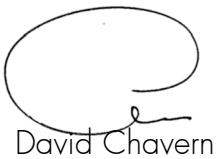
These efforts were very time consuming and expensive for the Alliance, which drew upon reserves for this most important trade fight. However, we gladly devoted our time and resources to this effort given the threat these tariffs posed to the newspaper and newsprint industries. As a result of the preliminary AD and CVD investigations and the subsequent tariffs imposed in the Winter and Spring of 2018, the cost of newsprint increased by 25 to 35 percent, and many newspapers had to reduce the number of pages they published and reduce their workforces. Many newspapers reported that the tariffs were a life or death issue for them.

Because no AD or CVD order will be issued, all the tariffs collected during the AD and CVD investigations will be refunded to "importers of record" (i.e. Canadian producers) in the months ahead. Because this win on this trade case was the result of our joint efforts, we respectfully request that you consider sharing the benefit of these refunds with the newspapers that purchase the newsprint you produce and import into the United States.

Some examples of ways in which you could share the proceeds from the refunds include providing a refund to newspapers of some of the higher prices on newsprint they paid which resulted from the AD and CVD investigations and tariffs imposed and are now being refunded; or providing a discount to newspapers on future purchases of newsprint to reflect the refunded tariffs. In my conversations with our members, it is clear that the sharing of revenue from the refunds will help "right the ship" and restore the sector to a more stable position so that the utilization and distribution of print newspapers can be sustained for decades to come.

Thank you for considering this request. If you have any questions, or if you would like to discuss this suggestion further, do not hesitate to contact me david@newsmediaalliance.org or Paul Boyle at paul@newsmediaalliance.org.

Sincerely,



David Chavern
President and CEO

Cc: News Media Alliance Board of Directors