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January 31, 2025

The Honorable Brett Guthrie Chairman House Energy and Commerce Committee 2125 Rayburn House Office Building Washington, D.C. 20515 The Honorable Ted Cruz Chairman Committee on Commerce, Science and Transportation United States Senate 340 Dirksen Building Washington, D.C. 20510

Dear Chairmen Guthrie and Cruz,

I am writing regarding the recently announced tariffs on products imported from Canada and to request your assistance in communicating the enormous hardship this will bring to small community newspaper publishers. These tariffs will raise prices for the essential component in newspapers-newsprint. All tariffs bring some measure of hardship to those affected but a 25% increase in the cost of newsprint will be devastating to America's small newspaper publishers that are already strained by the recent pattern of punitive twice-a-year postage increases and higher printing costs due to a trade action against importers of aluminum printing plates. This action will drive many small publishers serving rural communities out of business and will not serve the purpose of correcting perceived trade imbalances between Canada and the United States.

Simply put, there is not enough newsprint manufacturing capacity in the United States to meet the demand from major daily newspapers and small publishers, yet the demand is not enough to convince domestic manufacturers to increase production. Canadian sourced newsprint has been an essential component in allowing small publishers to stay in business. A 25% spike in costs will merely lead to unaffordable costs to publish as there is not enough domestic supply for our members to turn to.

We want to make sure you understand what these tariffs mean to our 1,647 members, and for possibly as many as 5,000 other weekly newspapers that are not our members. Production costs are already 15-30% higher for most newspapers. For a small newspaper whose profit margins were in single digits last year, this higher printing cost means the newspaper loses money this year. Because small town economies are already challenged, small margins are not unusual.

As larger newspapers lock in supply to hedge against rising prices and Canadian producers direct their product to other nations, the smaller papers are experiencing shortages. While macro-economic forces might expect in time for greater newsprint production to correct these shortages, that effect would occur only if total demand were rising. But in our print world, overall demand will not rise. It will continue to fall. And for the smaller newspapers, there is no macro-economic savior available. Without paper, they will be driven out of business.

To recover printing cost, newspapers must try to pass along subscription increases, even in towns with depressed economies. But these increases cause downward pressure on circulations, which makes the newspaper less valuable to advertisers and further depresses advertising income to the newspaper. This is especially true in an environment where USPS mail service has become increasingly unreliable leading to lengthy delivery delays for which our members are blamed. This also makes vulnerable communities less informed.



Newspapers may also try to pass along increases in advertising rates. This effect makes marketing more expensive for small business advertisers and depresses their own potential revenues and available payroll. Or it pushes them to digital, which is unprofitable for most newspapers, and which produces no new jobs. Rather, it kills jobs locally.

It may be difficult to forecast the multiplier effect now developing, but small towns will feel the effects for many years if the tariffs continue because they will lose their local newspapers. Our surveys are indicating that most newspapers are contemplating layoffs, reduced publication days or page sizes, and even the closing of the company entirely. In many small towns, our newspapers are not only the critical link to civic activity but are the most viable means for local business marketing.

We do not believe these are the consequences the administration intended through this action and hope you can share these concerns and request that newsprint be excluded from these tariffs. They may bring some benefit for U.S. companies for some commodities and products but in the case of newsprint, only damage can occur.

We appreciate the challenges in implementing trade policy that builds the American economy. Our job as community newspapers is not only to cover our communities but to help them prosper, grow, and fairly govern their citizens. We stand by to offer our expertise as needed to you and your staffs to support a request to the administration to exempt newsprint from the Canadian tariffs.

Sincerely,

Matha O Qinan

Martha Diaz Aszkenazy, Chair, National Newspaper Association Publisher, The San Fernando Valley Sun/el Sol Newspaper, San Fernando, California

National Newspaper Association was founded in 1885 by a confederation of weekly newspaper publishers to represent the industry at the national level. Its membership of approximately 1,700 titles comprises mostly small-town newspapers. More about NNA can be found at www.nna.org.