Paper and wood products exports account for about 15 percent of the industry’s annual total sales. In 2017, the industry’s global exports totaled $30.9 billion, of which $9.5 billion were exports of wood products and $21.4 billion were exports of pulp, paper and packaging. We estimate that our industry’s exports support approximately 135,000 jobs at pulp, paper and wood products mills and related logging operations in the U.S., as well as many more jobs in communities where these facilities are located. More than 75 percent of U.S. pulp and paper mills are located in counties designated by the Census Bureau as more than 80 percent rural.

AF&PA supports trade policies that advance our industry’s strong global market position. In an increasingly globalized market, it is critical for the U.S. paper and wood products manufacturing industry to achieve unrestricted access to international markets and level the playing field among international competitors by eliminating both tariff and non-tariff barriers. The U.S. already provides tariff-free access for paper and paperboard while import tariffs on wood products are relatively low. Our industry’s largest export markets for pulp, paper and paperboard are China and other East Asia/Oceania (27.7 percent of U.S. exports), Canada (25 percent), Mexico (20 percent) and Europe (14.9 percent).

Open markets have helped spread the benefits of innovation and created economic opportunities for many. Consumers have benefited from lower-priced goods. Highly-skilled workers have benefited from the technology explosion supporting advanced manufacturing. Innovations, however, may also bring market disruption by replacing old products with new ones and changing needs for labor and workforce training and education. We support an increased national focus on educating and training current and future workers to ensure U.S. economic vitality in the 21st century.

Enforcing Existing Trade Laws
U.S. and international trade laws are in place to ensure a level playing field among global competitors and transparent and rules-based mechanisms for dispute resolution. We support enforcement of existing U.S. trade laws and believe that “injured” industries and workers should have access to appropriate remedies.

Trade Negotiations
AF&PA supports trade agreements designed to generate substantive economic benefits for U.S. forest products companies and their workers. This includes indirect exports such as goods that are produced and packaged in the U.S. for export markets (e.g., manufactured products and parts and certain agricultural products such as poultry, fruit and vegetables).

Trade agreements offer opportunities to achieve the industry’s trade and competitiveness objectives. During the past decade, many countries have negotiated bilateral and multilateral trade agreements to provide access for their producers in export markets. U.S. producers of goods and services risk
falling behind without an aggressive effort to open foreign markets. We support the negotiation of trade agreements that result in commercial benefits for American companies by reducing tariffs and traditional non-tariff barriers. We also support new rules and stronger disciplines in areas such as customs administration, intellectual property protection, the role of state owned enterprises and good regulatory practices to ensure non-discriminatory treatment of U.S. goods. We also seek strong language to eliminate illegal logging and associated trade.

**North American Free Trade Agreement (NAFTA)**

Our industry supported the NAFTA because it gave us duty-free access to the Canadian and Mexican markets. In 1993, U.S. pulp and paper exports to NAFTA countries were $3.2 billion, or about 36 percent of the industry’s global exports. In 2017, that amount rose to $9.6 billion or 45 percent of our industry’s total pulp and paper exports.

As policymakers weigh potential changes to NAFTA, we want to ensure that these markets continue to be open to our industry’s exports and recognize the benefits of our interconnected supply chain. Our priorities for NAFTA include maintaining open access and a level playing field for U.S. exports, investor protection through the investor-state dispute settlement mechanism, transparent and sound science-based regulatory practices and commitment to fight illegal logging globally.

**Subsidies**

AF&PA supports the elimination of market-distorting subsidies and other financial support provided by foreign governments for new manufacturing, for existing non-competitive manufacturing capacity and for wood fiber used in the manufacture of forest products. These practices distort markets for forest products, lead to global overcapacity and place increased pressure on forest resources. AF&PA advocates for subsidies discipline in bilateral and multilateral negotiations and works with our partners in the global forest products industry to ensure that global markets for forest and paper products are open, fair and competitive.

**Currency Manipulation**

AF&PA encourages the U.S. administration to use existing international monetary and trade rules or, where necessary, strengthen international rules against currency manipulation by other countries that undermine the competitiveness of U.S. industry.