

News Release

For Immediate Release

August 2, 2018

Catalyst Paper Disappointed with U.S. Trade Action on Uncoated Groundwood Paper Exports

Richmond, BC – Catalyst Paper responded with disappointment today following the U.S. Department of Commerce’s final determination setting Catalyst’s countervailing duty rate at 3.38% and anti-dumping duty rate at 16.88% on Canadian exports of uncoated groundwood paper. While the duties were reduced from the preliminary rates, the combined duties on Catalyst’s exports total a significant 20.26%.

“While not surprised, we’re disappointed with the U.S. Department of Commerce’s decision to keep these unwarranted duties in place, albeit at a lower rate,” says Ned Dwyer, President and Chief Executive Officer. “These duties are punitive and without merit. The allegation that we are subsidized and engage in dumping activities is wrong and does not adhere to the facts.”

The U.S. Department of Commerce’s final determination follows its January 9, 2018 preliminary determination that required Catalyst to pay a 6.09% countervailing duty deposit, and its March 14, 2018 decision to impose a 22.16% anti-dumping duty deposit.

“This onerous U.S. trade action directly affects the competitiveness of our business,” says Dwyer. “While our mills have provided newsprint to the U.S. for more than 100 years, we’re now changing our customer base to minimize the impact of these duties because of one U.S. mill, but this isn’t sustainable over the long-term.”

Following today’s decision by the U.S. Department of Commerce, the U.S. International Trade Commission (ITC) will consider whether imports of uncoated groundwood paper from Canada have injured the U.S. industry, as was alleged in the petition by only one mill—North Pacific Paper Company (NORPAC)—located in Longview, Washington. If the ITC reaches an affirmative determination at the end of August, the DOC is expected to issue a final order on the case in mid-September.

“We would like to see the ITC pursue an objective evaluation of the facts and eliminate these egregious duties before they do further harm to our U.S. customers,” says Dwyer.

Page two

Catalyst Paper news release

Uncoated groundwood paper is a printing and writing grade of paper used in the production of paper products such as newspapers, directories, flyers, catalogues and books, and is produced at our Canadian mills

-30-

About Catalyst Paper

Catalyst Paper manufactures diverse papers such as coated and uncoated groundwood, newsprint, directory, packaging as well as market pulp. Customers include retailers, publishers, commercial printers and convertors in North America, Latin America, the Pacific Rim and Europe. Catalyst is headquartered in Richmond, British Columbia, Canada

For more information:

Michael Goehring
604-374-3271