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United States Senate

WASHINGTON, DC 20510 - 3505

September 9, 2014

The Honourable Philippe Couillard
Québec Premier
Édifice Honoré-Mercier, 3e étage
835, boul. René-Lévesque Est
Québec (Québec) G1A 1B4

Dear Premier Couillard:

I write to express my concerns about a financial assistance package to be offered by Quebec and the federal government of Canada to McInnis Cement for the purpose of building and starting up a cement plant in Port-Daniel–Gascons, Quebec. I believe these subsidies are not compliant with Canada's international trade obligations and would have negative consequences for the U.S. and Canadian cement markets. I ask you to reconsider this financial assistance package for the McInnis plant.

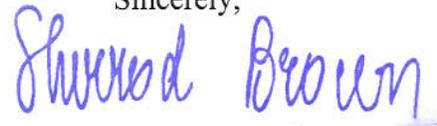
The Canadian federal government and Quebec have committed to provide nearly half a billion dollars in support to McInnis Cement to build a cement plant in the Gaspé region. Investment Quebec will contribute \$100 million as an equity investment, and the Quebec Deposit and Investment Fund, which manages the province's public pension plans, will invest another \$100 million in equity. Investment Quebec will also provide a guaranteed loan of \$250 million to the project, and the federal government will provide another \$100 million in financing. Media reports indicate that a special electricity rate available to industrial users may also be available to McInnis. A tax holiday on provincial income tax for large investments in Quebec has also been reported as part of the financial assistance package. The proposed facility is expected to cost \$1.1 billion.

In addition to the scope and magnitude of the subsidy package, I have concerns that, despite underutilization in Canada's cement industry, Quebec will not only unfairly finance an additional cement plant, but that plant will be focused almost exclusively on exporting to the U.S. market. Given the oversaturation of the Quebec market and the McInnis plant's focus on the U.S., I believe these subsidies may also be export-contingent. As a result, I have communicated these same concerns to the United States Trade Representative and asked for an investigation into the financial assistance package and WTO action if they are inconsistent with Canada's trade commitments.

Ohio has two cement plants, and thousands of workers are employed in concrete and cement jobs across the state. These companies and workers are among the world's most efficient and globally competitive. A massive subsidy package that violates international trade law, however, would jeopardize this industry and its economic benefits to my state. I urge you to withdraw the

subsidy package from the McInnis Cement plant and ensure that the Canadian and American cement sectors compete on a level playing field.

Sincerely,

A handwritten signature in blue ink that reads "Sherrod Brown". The signature is written in a cursive, flowing style.

Sherrod Brown
United States Senator