

United States Senate

WASHINGTON, DC 20510-2309

October 31, 2012

The Honorable Ron Kirk
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Kirk:

I have heard from constituents who are concerned that the financial assistance the provincial government of Nova Scotia, Canada is providing to a paper mill in the province may be inconsistent with Canada's commitments under existing trade agreements. I respectfully request that you seek additional information about that assistance to determine whether it is consistent with Canada's responsibilities under NAFTA and the WTO.

More specifically, a paper mill in Port Hawkesbury, Nova Scotia that had been closed last year was recently reopened, according to news reports, after the provincial government gave a \$124.5 million aid package to help Pacific West Commercial Corp. buy and reopen the mill. The paper products produced by the mill will compete with paper products made in Minnesota by UPM Blandin in Grand Rapids and NewPage in Duluth. My constituents are concerned that the provincial government's aid package effectively amounts to an unfair subsidy that gives the Nova Scotia mill an unfair competitive advantage.

In light of these concerns, I respectfully request that you seek additional information from the provincial and Canadian governments about the transaction – and the provision of government assistance in particular – so that you may evaluate the transaction and determine whether each of its elements are consistent with Canada's obligations under NAFTA and the WTO. If you determine that the transaction puts Canada at odds with its obligations, I urge you to raise the issue as emphatically as possible with the Canadian government so that it may be resolved quickly. That would avoid the lengthier and more arduous process the domestic industry would otherwise have to go through to rectify such violations.

Thank you for your prompt attention to this matter. If you have any questions, you may contact Jeff Lomonaco on my staff at (202) 224-5641.

Sincerely,



Al Franken
United States Senator