

Meeting Summary
Maine Citizen Trade Policy Commission
May 28, 2015
Room 208, State House
Augusta, Maine

Members Present: Senator Amy Volk, Senator John Patrick, Representative Robert Saucier, Representative Stacey Guerin, Representative Craig Hickman, Sharon Anglin Treat, Mike Karragiannes, Dr. Joel Kase, Linda Pistner, Jim Detert, Jay Wadleigh, Christy Daggett, John Palmer, Pam Megathlin

Staff: Lock Kiermaier (Contract)

CTPC Chair Senator Amy Volk convened the meeting at approximately 8:45 AM.

To begin the meeting, Senator Volk asked Commission members to introduce themselves.

Review letters to Maine's Congressional delegation

During the May 5, 2015 meeting of the CTPC, it was agreed that the CTPC Chairs would write to members of Maine's Congressional delegation to invite them to appear before the CTPC in the near future to discuss FTAs, fast track authority, ISDS and other international trade agreement topics. Accordingly, the CTPC Chairs sent letters of invitation dated 5/19/15 to:

- Senator Susan Collins,
- Senator Angus King,
- Representative Chellie Pingree,
- Representative Bruce Poloquin

Staff person Lock Kiermaier reported to the commission that given the relatively short notice between the dates from when the letters were actually sent out (5/19/15) and the date of the current meeting, it was not really expected that any of the congressional delegation, or members of their staff, would be able to attend the current meeting. Instead, it was hoped that meaningful contacts would be established from which future meetings between the commission and members of the delegation could be arranged. Mr. Kiermaier also reported that he had received phone calls from members of Senator Collins' and Representative Poloquin's office indicating their interest in meeting with the CTPC on dates to be determined in the near future. b

These letters have been posted at the CTPC website:

<http://legislature.maine.gov/legis/opla/CTPCMay2015lettersCongressional.pdf>

Update from CTPC member Sharon A. Treat on recent activities of USTR

Next, the Chairs recognized CTPC member Sharon Anglin Treat, who is also a member of the USTR Intergovernmental Policy Advisory Committee (IGPAC), to provide a brief update on recent USTR activities. Because of the classified nature of the information provided to her as a member of IGPAC, Ms. Treat made the following comments based solely on news reports:

- TPP (TransPacific Partnership): After 6 years, the secret TPP negotiations are nearing an end and are in what is commonly called the “end game”, Several issues of past concern to the CTPC regarding the TPP include:
 - Dairy pricing and the possible threat to Maine’s system of regulating the price of milk;
 - Retaining the state’s authority to regulate tobacco to protect public health;
 - Possible TPP provisions which would significantly delay the manufacture of generic drugs and also provisions which might keep drug prices higher than they might be otherwise;
 - Issues pertaining to the footwear manufacturing industry and whether current tariffs will be retained which help to preserve jobs in Maine and Massachusetts; and
 - To what extent will ISDS (Investor-State Dispute Settlement) provisions be included in the TPP?

Unfortunately, Ms. Treat was unable to provide the commission with meaningful updates on these issues of concern to the CTPC and she stated that is unclear to what extent the TPP addresses these issues.

- COOL (Country of Origin Labeling): Around 2002, the federal government passed laws requiring the labeling of beef and pork products to show where the meat was grown, produced and processed. These laws and rules were challenged by Mexico and Canada as to whether they were legal and/or discriminatory. As a result of these challenges, the WTO has issued a final decision concluding that these rules are discriminatory. Consequently, the US has to either repeal these laws or face some sort of trade penalty and Congress has taken initial steps to repeal the COOL legislation.
- TISA (Trade in Services Agreement): This trade agreement which is in the early stages of negotiation is important to take note of in that congressional consideration and approval of this extensive Free Trade Agreement would fall under the conditions of review established by the Trade Promotion Authority (aka “Fast Track”) legislation which is currently being debated in Congress. TISA is currently under negotiation between 24 nations (including the US) in Geneva. It covers everything that is considered to be a “service” which ranges from private education to internet provided data to utilities to insurance and financial services. TISA is also likely to have rules which pertain to immigration with regards to professional licensing standards for doctors, engineers and other highly specialized (and sought after) professionals.

- TTIP (TransAtlantic Trade Investment Partnership); This free trade agreement is currently under negotiation between the US and the member states of the European Union (EU). Negotiating sessions are currently taking place about every 2 months; and the next round of negotiations is scheduled to take place in Brussels in July of 2015. It is anticipated that the USTR will hold meetings in the early part of Fall 2015 regarding issues under discussion for the TTIP and these issues are likely to be ones that the CTPC has previously expressed an interest in. Ms. Treat mentioned the possibility of having a CTPC member present at these meetings to make a presentation regarding the interests and concerns of the CTPC and how valuable such a presentation may be.

Update on Fast Track legislation in Congress

The commission then began a discussion regarding President Obama's TPA (Trade Promotion Authority) proposal that was before Congress. CTPC staff person Lock Kiermaier made reference to a recent article dated 5/22/15 from CQ Roll Call which reported that the Senate had narrowly approved the President's TPA proposal. Congressional approval of TPA now means that the President can submit FTAs to Congress for an up or down vote in a narrow, prescribed timeframe of 90 days with no amendments allowed. Mr. Kiermaier also reported that both of Maine's Senators, Susan Collins and Angus King, voted against TPA and that Representative Chellie Pingree was on record as opposing TPA. In addition, Mr. Kiermaier read a statement provided by Representative Bruce Poliquin's office indicating that he had not yet announced a public stance on TPA. (Note: Representative Poliquin later announced his opposition to that legislation.) Finally, Mr. Kiermaier also stated that a provision that expanded the Trade Protection Assistance for workers displaced by FTAs had been added to the final TPA legislation.

Discussion of possible commission actions including Joint Resolution(s) and Congressional Letter(s)

Next, Mr. Kiermaier recounted a brief history of past CTPC sponsorship of legislative Resolutions. The most recent Resolution posed a number of concerns about "Fast Track" or TPA legislation and suggested a compromise proposal to increase transparency and public involvement and that this past Resolution had passed unanimously. Mr. Kiermaier presented a list of options if the CTPC wished to sponsor another Resolution regarding TPA, FTAs currently in negotiation or the use of ISDS in FTAs; these options ranged from positions which were in favor of TPA (or a particular FTA or the use of ISDS) to those which would be in opposition.

After considerable discussion, those CTPC members present voted unanimously to approve a draft Resolution with a moderate tone to submit to the Legislature which addressed certain concerns regarding TPA. Those concerns included the following:

- Maine seeks to be an active participant in the global economy, and strongly supports international trade when fair rules of trade are in place;

- Maine seeks to maximize the benefits and minimize any negative effects of international trade; and
- international trade agreements should ensure a level playing field for Maine workers and businesses and not undermine Maine's constitutionally guaranteed authority under the system of federalism to protect the public health, safety, and welfare; and
- the United States is negotiating trade agreements with countries where wages, working conditions and environmental standards are substantially lower than in Maine, which can disadvantage Maine businesses, workers and communities; and
- trade agreements have effects that extend significantly beyond the bounds of traditional trade matters such as tariffs and quotas, and can impact state laws and regulations, including but not limited to food safety and labeling, tobacco policies, prescription drug prices, agricultural, environmental and energy policies, and state procurement;
- foreign investors use trade agreements to challenge state and federal laws in a system of arbitration known as Investor State Dispute Settlement or ISDS that bypasses state and federal courts and provides remedies not available to domestic investors; and
- United States trade policy has been formulated and implemented in a process that lacks transparency and accountability, where even fully negotiated texts are secret and not available for public review, and where trade negotiators have failed to meaningfully consult with states;
- the Trade Promotion Authority fails to provide sufficient transparency and accountability in the trade negotiation and review process, lacks sufficient opportunity for congressional review and acceptance, and does not improve consultation with the states;
- Urge the improvement of the process by which United States trade agreements are developed and implemented in order to assure transparency and accountability, to ensure equal treatment of domestic and foreign investors by requiring investor disputes to be brought to our federal and state judicial systems for resolution, and to appropriately acknowledge the vital role of state sovereignty;
- Urge that each instance in which trade promotion authority is authorized by the United States Congress be limited to a specific trade agreement to help ensure the adequate review and approval of each such agreement.

The unanimous vote to approve this draft resolution authorized the CTPC Chairs to work on a draft Resolution that will be circulated among CTPC for comments and suggestions before the final draft is submitted to the Legislature for approval. The vote also authorized that copies of the resolution be sent separately to members of Maine's Congressional Delegation.

Discussion of next meeting date

Next, the members present discussed at length the possibilities for determining the date of the next CTPC meeting. It was agreed that staff would use a Doodle poll to determine the best date out of the following choices:

- June 17th;
- August 18th;
- August 25th;
- August 26th; or
- September 1st.

Briefing from Attorney General Janet Mills: update on her recent meeting with USTR

The CTPC next heard from Attorney General Janet Mills who reported on another recent set of interactions with USTR Michael Froman. The Attorney General's comments included the following:

- She recounted that AG Mills and Idaho Attorney General Lawrence Wasden met with USTR Michael Froman in Washington Dc on Friday, May 1, 2015;
- As background, AG Mills further recounted that in February of 2014, 48 state AGs had signed on to a letter to Ambassador Froman focused on their concerns about their ability to regulate tobacco as it pertains to provisions in the TPP;
- As of February of 2015, the USTR had not provided a formal response to that letter and as a result, AG Mills had suggested to her fellow AGs that the letter be re-sent and it was re-sent in March of 2015;
- With still no response from the USTR, AG Mills began to draft another letter to the USTR regarding the Attorneys General concern that the TPP and other FTAs needed to be more transparent, needs to include a "carve out" for tobacco and address the state's ability to regulate predatory lenders. This letter has been endorsed by 23 other state AGs and became known to the USTR;
- Having sent the letter, some predictable controversy and reactions began to arise mainly from the President's office and the USTR;
- A recent conference call in late May involved AG Mills, two other state AGs, USTR Michael Froman and a large number of other offices;
- From her perspective, AG Mills did not find the results of the call to be very satisfactory nor was it very informative. The specific topics discussed in the conference call included the following:
 - The need for more transparency in the negotiation of FTAs with an assurance from USTR Froman that every effort was being taken to maximize transparency in a way that furthered the US trading goals;
 - USTR Froman also cited the large number of Congressional briefings that have taken place in recent years and mentioned the creation of IGPAC as yet another measure of transparency;
 - When asked about what version of ISDS was being advocated for by the USTR, Ambassador Froman, he stated that the model BTIP contained the ISDS proposal that is being used in the negotiations as the starting point and that this model does include financial protections for consumers- a point disputed by AG Mills;
 - USTR Froman also assured the conference call participants that preserving the authority of the FDA to regulate tobacco was a high priority for the US in the current FTA negotiations. AG Mills and other participants highlighted the contents of the Master Settlement Agreement reached in 1998 which has a complicated set of provisions which establish the state's rights to regulate tobacco

and nicotine-related products and maintained that this authority should not be compromised; and

- The recent WTO decision regarding Country of Origin Labeling (COOL) that went against the US requirements for the labeling of meat products was also discussed; USTR Froman maintained that that kind of ruling would not happen under the TPP or the TTIP; and
- It was proposed that USTR staff meet with the legal staff of the National Association of Attorneys General to further discuss the tobacco-related issues and how they relate to the details of the 1998 Master Settlement; a meeting which did occur shortly thereafter the conference call.
- After the conference call, AG Mills suggested to her fellow AGs that the draft letter be revised to reflect the results of the conference call.

Articles of interest (Lock Kiermaier, Staff)

Due to the relative lack of time remaining for the meeting, Mr. Kiermaier suggested that the Summary for the Articles of Interest that he had prepared, as well as the complete articles themselves were included in the Commission's written materials and could be reviewed by members on their own.

Discuss future speakers and topics

Mr. Kiermaier mentioned that he is trying to arrange a presentation by Janine B. Cary, president of the Maine International Trade Center for a future meeting of the CTPC. In addition, Mr. Kiermaier welcomed suggestions from commission members regarding speakers that represent different points of view regarding FTAs

Adjournment

The meeting was adjourned at approximately 12:30 PM.