

**CITIZEN TRADE POLICY COMMISSION
DRAFT AGENDA**

Monday, July 1, 2013 at 9:30 A.M.
Room 214, Burton M. Cross State Office Building
Augusta, Maine

9:30 AM Meeting called to order

- I. Welcome and introductions; newly appointed CTPC member, Pamela Taylor, Department of Labor**
- II. Review of 5/30/13 letter from U.S. Customs and Border Protection**
- III. Request from Representative Sharon A. Treat to be reimbursed for travel expenses to attend the Direct Stakeholder Engagement Event to be held on 7/10/13 in Washington DC and sponsored by the USTR in conjunction with the first round of the Transatlantic Trade and Investment Partnership (TTIP) (9:30 AM)**
- IV. Presentation from Kathie Leonard, President of Auburn Manufacturing and member of USTR (10 AM)**
- V. Update on IGPAC/USTR activity (Representative Sharon Treat, CTPC Chair) (11:00 AM)**
- VI. Articles of interest (Lock Kiermaier, Staff) (11:30 AM)**
- VII. Brief discussion on scheduling possible dates and locations for statutorily required 2 public hearings per year in different locations within the state.**
- VIII. Proposed next meeting date and suggestions for agenda topics**

Adjourn

RECEIVED JUN 14 2013



**U.S. Customs and
Border Protection**

MAY 30 2013

Ms. Sharon Anglin Treat
Citizen Trade Policy Commission
State House Station #13
Augusta, ME 04333

Dear Ms. Treat:

Thank you for your recent letter to Secretary Napolitano concerning the Land Border User Fee Study in President Obama's fiscal year (FY) 2014 Budget to Congress. After consideration of the concerns you raise about the study, I would like to share more information regarding U.S. Customs and Border Protection's (CBP) reasoning and intentions.

First, it is important to note that CBP's Land Border User Fee Study, is only a study, and; not a proposed fee for FY 2014. As referenced in your letter, many northern border states and local communities have an integral travel and commerce cross-border relationship with Canada. The intention with any fee is to improve that throughput, not to dissuade it.

Consideration will be given to any potential economic benefits resulting from a fee. The additional revenue generated through reasonable land border fees would allow for more CBP officers at our ports and result in decreased wait times.

CBP's intent is to develop a full economic and cost benefit analysis, then conduct an assessment of logistics and steps involved in collection, and finally conduct a pilot that will test all steps involved in land border user fee collection without actual collections. CBP will follow the pilot by analyzing options for land border pedestrian and passenger vehicle fees.

CBP is committed to facilitating and securing lawful travel and trade through U.S. Ports of Entry. Recent years have seen historic travel volumes – with privately owned vehicle traffic up 4.7 percent since FY 2011 and projected to rise in future years. Truck volume has been increasing since the economic downturn, and is also up by 14 percent since FY 2009. Inbound trade volume overall has recovered with import values growing by 5 percent, reaching \$2.3 trillion in FY 2012, and expected to exceed records in the air, land, and sea environments this year. We recognize the importance to our economy that a secure, streamlined border management process has on growing volumes of trade and travel.

There is currently a disparity in user fee collections between air, land, and sea ports of entry, because of the existing statutory framework and the long established collection mechanisms through air carriers and cruise lines. Currently, CBP incurs costs for inspecting pedestrians, bus passengers, vehicle passengers, and rail passengers, yet for the bulk of these activities, there are no fees in place to recover the costs. Therefore, the costs must be offset by taxpayer-funded

appropriations. In FY 2012, the portion of costs supported by appropriation totaled over \$1.2 billion dollars.

<i>In thousands</i>	FY 2010	FY 2011	FY 2012
Total Land environment costs	\$1,282,591	\$1,253,938	\$1,351,974
Land environment fee collections ¹	\$67,226	\$73,817	\$78,550
Fee recovery level of all costs	5%	6%	6%
Land environment costs funded by appropriations (Total costs minus fee collections)	\$1,215,366	\$1,180,121	\$1,273,423

Collections on the land border would likely be very different than current collection methods, and CBP will examine multiple methods and systems for actual collections and remittances. A few of the focus areas for the study may include (but will not be limited to) commercial bus and rail passengers, existing toll facilities, and penalties for Western Hemisphere Travel Initiative (WHTI) non-compliance.

In the course of the Land Border User Fee Study, CBP will explore the economic impact of increasing wait times at the border and lost opportunity costs versus a potential fee to determine which is potentially more harmful to cross-border travel and commerce. CBP recognizes the difference between daily land border commuters and international air and sea passengers, and will pursue a full understanding of any potential economic disincentive to cross-border trade and travel. CBP recognizes many northern border states and local communities have an integral travel and commerce cross-border relationship with Canada, and the intention with any fee, would be to improve throughput, not dissuade it.

Wait times, and their effect on the local and national economy, has been researched extensively. In February 2013, the National Center for Risk and Economic Analysis of Terrorism Events (CREATE) released a report regarding wait times titled, *The Impact on the U.S. Economy of Changes in Wait Times at Ports of Entry*. CREATE's analysis found that an increase or decrease in staffing at the Ports of Entry has a tremendous impact on wait times and the U.S. economy. The impacts begin with changes in tourism, business travel expenditures, and freight costs affecting not only local communities, but eventually the overall U.S. economy.

In summary, CREATE found that the impacts on the U.S. economy of adding 33 CBP officers, are a \$65.8 million increase in Gross Domestic Product (GDP), \$21.2 million in opportunity cost savings, and employment gains of 1,094 annual jobs. The U.S. Travel Association found that every 33 overseas travelers creates one new American job, CREATE's findings equate to 33 American jobs per CBP officer added. In addition to economic benefits, greater law enforcement presence will result in increased security and enforcement effectiveness.

¹ CBP collects a small amount of fees through the CBP Trusted Traveler programs (NEXUS, FAST, SENTRI, Dedicated Commuter Lane (DCL)), I-94 entries, I-68 entries, I-190 entries, rail and truck (COBRA), and agriculture which are then applied to CBP's land environment costs.

As an example of the potential economic and enforcement benefits, CBP reported that for every 1,000 CBP officers hired, the following estimated outcomes could be expected:

- \$2 billion increase in GDP
- \$642 million in opportunity costs saved
- 33,148 annual jobs added
- 23,000 more enforcement actions
- \$40 million drug seizure value increase
- \$2.75 million currency seizure value increase
- \$7.85 million trade penalty assessment increase
- \$2.5 million Intellectual Property Rights seizures increase
- \$42 million liquidated damage assessment increase

As we address expanded mission requirements, evolving threats, and increasing workload volumes, it is imperative that CBP explore alternative sources of funding in order to support national security and trade and travel facilitation missions that are vital to this nation. The study of a potential land border user fee² is just one of many options CBP is exploring as a way to maintain funding for existing capabilities, and provide better security and services to the trade and travel communities in the future.

The FY 2014 Budget also includes a series of legislative proposals to identify alternative sources of funding to provide for additional CBP officers and infrastructure requirements. These proposals complement the Resource Optimization Strategy and Workload Staffing Model, also released with the FY 2014 Budget, by creating a mechanism for CBP to engage in public-private partnerships to fund enhanced CBP services, support port improvements that would better facilitate flows of international trade and travel, and allow CBP to fund additional CBP officers.

Thank you again for your letter, CBP's study will thoroughly investigate all possible outcomes and will not propose any fee that may have negative consequences on cross-border economic activity. If I may offer further assistance, please contact my office at (202) 344-1620.

Sincerely,



David J. Murphy
Acting Assistant Commissioner
Office of Field Operations

² It should be noted that land border user fee refers to possible fees assessed on pedestrians, bus passengers, vehicle passengers, and rail passengers.

See below. This is the event I'd like to seek funding to attend. I would present the same testimony as was endorsed before, but this time instead of addressing the USTR it would be attended by negotiators from the other countries (the EU). I will pay my own way if necessary but hope to get CTPC funding. The cost would not exceed \$350.

Sharon Anglin Treat
satreat@gmail.com
Sent from my iPad

From: FN-USTR-IAPE <IAPE@ustr.eop.gov>
Date: June 21, 2013, 12:29:37 PM EDT
To: FN-USTR-IAPE <IAPE@ustr.eop.gov>
Subject: Transatlantic Trade and Investment Partnership Stakeholder Events

Hello,

The Office of the United States Trade Representative will host a Direct Stakeholder Engagement event in conjunction with the first round of the Transatlantic Trade and Investment Partnership (TTIP) negotiations, scheduled to take place from **Monday, July 8 – Friday, July 12, 2013** in Washington, D.C.

Registration: Direct Stakeholder Event, Stakeholder Presentations

The Direct Stakeholder Engagement event will be held on Wednesday, July 10th from 11:30am – 2:30pm in Washington, D.C. at a TBD location and will be open to U.S. and EU stakeholders. This event will provide stakeholders with the opportunity to speak directly with TTIP negotiators. In addition, stakeholders will have an opportunity to give presentations to negotiators as well as other interested stakeholders.

To register for this event, [please click here](#). Please also use this link if you would like to give a presentation. **Only individuals registered to make a presentation will be permitted to do so.**

Registration: Stakeholder Briefing

On Wednesday, July 10th from 4:30 – 5:15pm, USTR will host a separate stakeholder briefing in Washington, D.C. at a TBD location. During this briefing, the U.S. and EU chief negotiators will brief stakeholders and stakeholders will be given the opportunity to ask questions. Due to limited spacing, USTR registration for this event is on a first come, first serve basis.

To register for this event, [please click here](#).

The registration deadline for both stakeholder events is Friday, June 28th at 5:00pm EST.
We will be unable to accommodate any registrations received after this time. Due to security concerns, we will not be able to allow access to anyone who is not registered.

Confirmation of Information

Following the close of registration, we will follow up with confirmation of your participation and to provide further logistical details for the day of the event. For those registered to give presentations, you will also receive information regarding timing. Your registration will not be

confirmed until you receive the final confirmation email from us following the close of registration.

If you have questions about your registration, please email iape@ustr.gov. More information is posted on our [website](#).

We look forward to hearing from you.

Sincerely,
Office of Intergovernmental Affairs and Public Engagement
Office of the United States Trade Representative



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BACKGROUND INFORMATION

KATHIE M. LEONARD

June, 2013

**POSITION: Founder and President/CEO
Auburn Manufacturing, Inc.**

EDUCATION

**University of Maine, Business Administration, 1983-86
Assoc. of Arts – St. Petersburg College, St. Petersburg, FL 1972**

COMPANY BACKGROUND:

Kathie Leonard co-founded AMI in 1979, and is a 100% small woman-owned business with two manufacturing plants in Central Maine, with 50 employees. For over 30 years, the company has specialized in making a wide variety of heat-resistant textile products to save energy and protect people, plant and equipment from fire and extreme heat. Industries served include petrochemical, refining, utilities, shipbuilding, paper, steel, aluminum, glass and marine, in both maintenance and construction operations. The company's most recent innovation is a patented modularized insulation kit, designed for use in institutional and commercial markets.

INDUSTRY INVOLVEMENT:

**Member, International Trade Action Committee 11, US Dept of Commerce, 2010-2014
Member, National Insulation Association (NIA) since 1995
Member, National Council of Textile Organizations (NCTO) (Previously AMTAC) Steering Comm. Member: Government Textile Contracts Committee 2013-
Member, Industrial Fabrics Association International (IFAI)
Member, United States Industrial Fabrics Institute (USIFI)
Member and former Exec. Comm. Member, Welding Equipment Manufacturers Committee (WEMCO) of the American Welding Society, 1997-present
Member, National Fire Protection Association, 2000-present
Member, Women's Business Enterprise National Council (WBENC) 2007-present**



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COMMUNITY/PROFESSIONAL ACTIVITIES:

Present:

**Member of the Board off Directors, Sun-Journal Newspaper, Lewiston, Maine
Board of Advisors, North Atlantic Seafood, Inc., 2/08 to present
Member and Former Co-Chair, Lewiston/Auburn Future Forum (part of LAEGC)
Chair, Leadership Council of the Garcelon Soecity, Bates College
Member and former Chair, Lewiston/Auburn Economic Growth Council (LAEGC)**

Past:

**Chair, Board of Directors of Central Maine Healthcare, Lewiston, Maine (2001-03)
Trustee, Central Maine Medical Center, Lewiston, 1998-2006
Board of Trustees, Thomas College, 10/96-2006
Chair, Central Maine Health Ventures Board of Directors, 1990-2000.
Member, Committee of 200, a national professional women's association (2001-03)
Council Member, Maine Health Care Performance Council, established
in 2001 by Gov. Angus King
Director, Key Bank of Maine, 1988-2000
Member, Finance Committee, Lewiston/Auburn Economic Growth Council,
1996-2000
Member, Governor's Business Advisory Council, 1987-89
Chair, Small Business Advocacy Committee of the Maine Chamber, 1989-91
Member, Governor's Defense Realignment Task Force, 1990
Planning Committee, Colby College Institute for Management, 1986-91**

SPECIAL HONORS:

**2013 Maine Magazine's July Edition "50 People Who Have Made a Difference in
Maine"
2009 Women To Watch Award by MaineBiz (Manufacturing Sector)
2007 Business Leadership Award, Androscoggin County Chamber of Commerce
2002 Economic Achievement Award, from Cities of Auburn & Lewiston
President's Award, National Insulation Association, 2000
SBA's Small Business Person of the Year, 1991
Governor's Award for Excellence, 1991**

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★ ★ U.S. Manufacturer ★ ★

INNOVATION FOLLOWS MANUFACTURING

AMI FACTS

Auburn Manufacturing Inc. is a leading developer, manufacturer and marketer of the most advanced, safest and high-quality flexible barriers against extreme-temperature challenges. AMI's products are used in almost every major industry — primary metals, petroleum, chemicals, glass, paper, power generation, construction and transportation — wherever heat protection is required.

We were the first manufacturer to attain **third-party certification by FM Approvals of our hot work safety fabrics**, providing dependable protection from heat, sparks, and molten metal in the workplace. AMI also **helps industry save energy with our modularized thermal insulation blanket kits**, a new concept in removable and reusable insulation blankets for insulating bare piping and equipment components on steam and hot water distribution systems. (See Ever Green Insulation Kits on the reverse side)

AMI is a **U.S.-based small woman-owned business (SWOB)** that makes an exceptionally broad product line consisting of hundreds of standard and specialty textiles capable of withstanding temperatures from 225° to 3000°F.

Our products are used by major institutions and corporations including: U.S. Department of Defense, General Dynamics, Huntington Ingalls Industries, General Mills and Commonwealth Edison. In addition, hundreds of small and medium-sized businesses worldwide use our products for MRO and OEM applications.

MRO (Maintenance, Repair, Operations) Applications

- Welding Safety Fabrics — curtains, blankets, pads
- Pipe and Hose Coverings — cloth, tapes, tubing, removable pipe/valve insulation
- Gaskets/Seals — ropes, tapes
- Protective Apparel — industrial safety fabrics

OEM (Original Equipment Manufacturing) Applications

- Expansion joints for hot flue gas filtration systems
- Vehicle parts and accessories
- Theater lighting systems
- Marine accessories
- Rail car components
- Glass-making equipment
- Solar collectors
- Industrial belts
- Fire stopping systems
- Equipment Insulation

Meeting High Standards

Military

- MIL-C-20079H — Glass Cloth for thermal insulation components
- MIL-C-24576A — Cloth, Silica Glass for welding and cutting operations
- USCG164.009 — Test for Incombustibility
- NRC 1.36 — Nuclear Regulatory Commission Standard
- MIL I-24244B — Insulation Material with Special Corrosion, Chloride and Fluoride Requirements
- US DOE Safety Rule 10 CFR 851 — Worker Safety and Health Program (for DOE and National Nuclear Security Administration)
- US DOL 1910.252 — OSHA Standard on Welding, Cutting and Brazing

Industry

- ANSI/FM 4950 — Standard for Evaluating Welding Pads, Blankets and Curtains for Hot Work Operations
- NFPA 51B, 2009 Edition — Standard for Fire Prevention During Welding, Cutting and Other Hot Work
- California Code of Regulations, Title 8, Section 4848 Fire Prevention and Suppression Procedures
- ANSI Z49.1 — Safety in Welding, Cutting and Allied Processes
- API 2009 — Safe Welding, Cutting and Hot Work Practices in the Petroleum and Petrochemical Industries
- ASTM E84 — Standard Test Method for Surface Burning Characteristics of Building Materials
- ASTM C335 — Standard Test Method for Steady-State Heat Transfer Properties of Pipe Insulation
- ASTM C553 — Standard Specification for Mineral Fiber Blanket Thermal Insulation for Commercial and Industrial Applications
- ASTM C1695 — Standard Specification for Fabrication of Flexible Removable and Reusable Blanket Insulation for Hot Service
- ASTM E96, Procedure B — Standard Test Method for Water Vapor Transmission of Materials

Codes

Cage Code #9Y192
NAICS Code #313210

AMI is committed to providing the most advanced, safest and high-quality flexible barriers against extreme-temperature challenges worldwide, made by a team of friendly, knowledgeable US workers.

AMI FACTS

Ever Green® Insulation Kits

Ever Green® Cut 'n Wrap™ Insulation Kits — Hot Water Systems

Each Ever Green Cut 'n Wrap Insulation Kit, a patented technology, contains everything that's needed for quick and easy on-site fabrication of removable/reusable insulation blankets, providing a low-cost alternative for insulating bare piping components on steam and hot water distribution systems >120°F. Ideal for insulating valves and fittings requiring maintenance and inspection.

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- Medical Centers
- Universities
- Food Processing
- Government Facilities
- OEMs



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Here's an actual email received by a US company from an Australian import/export firm:

It might be possible to ship silica material from JSC "Polotsk-Steklovolokno" Belarus via Montreal in Canada.

The goods can be shipped in neutral packaging and markings which will not show Belarus as the country of origin of the goods. We will also use different country fumigation stamps on the wooden pallets.

I'm not sure how you feel about importing the goods in this way. I do know from recent experience that you'd be unable to send any payments to Belarus from the US, but there seems to be no such restrictions for us in Australia. We've shipped a number of orders from Belarus in recent months without any payment problems.

I can quote you pricing DDU Montreal for container loads. I think the price should be competitive.

Of course, I'd be happy to proceed with the Chinese made materials if you prefer.

Kathie Leonard

From: Kathi Dutilh <kdutilh@millikendc.com>
Sent: Thursday, June 27, 2013 5:45 AM
Subject: The Hill: Free trade must be a two-way street

Free trade must be a two-way street

By Reps. Howard Coble (R-N.C.), Bill Pascrell (D-N.J.) and Mick Mulvaney (R-S.C.) - 06/25/13 06:49 PM ET

The future of American manufacturing and the millions of jobs it provides depends on the successful competition of American-made goods in foreign markets. Toward that end, we support free trade agreements that give participating countries the chance to compete on a level playing field, where no country has an unfair advantage over another.

Give American workers a fair chance to compete anywhere in the world, and they will succeed, helping our economy to thrive and create new jobs and opportunities. But a fair chance means everyone plays by the same rules, rules that make certain the trade agreements we make are fair as well as free.

The American textile and apparel industry has agreed to past trade agreements in instances when they ensured parties to the agreement could sell their goods and services in each others' markets as long as each country abided by the same set of effectively enforced rules. Those agreements resulted in greater demand for American textile and apparel exports and, consequently, greater job growth in the industry.

The textile and apparel sector employs more than 500,000 Americans in every part of our country, many of them in rural areas hardest hit by the recent recession and where well-paying jobs are scarcest. Textile and apparel manufacturing jobs typically pay much higher average wages than do jobs in service and retail industries, and they offer better health and retirement benefits as well. The industry's continued growth is vitally important to families in communities where textile mills operate, as well as to communities where our suppliers and domestic customers are located.

The U.S. is currently negotiating a new trade agreement, the Trans-Pacific Partnership (TPP), with 10 other nations: Canada, Mexico, Chile, Peru, Australia, New Zealand, Brunei, Singapore, Malaysia and Vietnam. By reducing tariffs and duties and eliminating other trade barriers, the TPP could lead to even greater demand for our textile exports, and to greater job creation in the U.S. But to achieve that, the TPP must adhere to the same rules on textiles as our previous trade agreements.

American jobs should be the first priority for American trade negotiators, just as job growth in their countries is our trade partners' first priority. Opening markets to exports benefits everyone, but we shouldn't forget that trade agreements are first and foremost job-creating policies, not foreign assistance programs.

One country involved in TPP negotiations — Vietnam — is seeking an unfair advantage over the U.S. and our other trade partners. It could cost the jobs of over 1 million textile and apparel workers in the U.S. and among our trading partners throughout the Western Hemisphere and Africa. We call on the Obama administration to insist that the TPP follows the successful practice of previous free trade agreements, which included a "yarn forward" rule of origin to ensure that only textile and apparel manufacturers in the countries that are party to a free trade agreement enjoy the benefits of the agreement.

“Yarn forward” requires that the yarns, fabrics and final garments exported within the TPP are produced in TPP countries. Vietnam wants to replace the “yarn forward” rule with a “flexible rule of origin,” which requires that only the sewing of a garment must be done in TPP countries. This would allow Vietnam’s state-owned industry to export apparel duty free to the U.S. and the other markets of the TPP made from yarns and fabric imported from the massive state-owned textile industry in China, which is not part of the TPP.

The “yarn forward” rule has been an essential component of every free trade agreement the U.S. has negotiated over the last 25 years, and it has created over \$25 billion in two-way trade with our trade partners. This trade supports nearly 2 million jobs. Replacing it with a “flexible rule of origin” would more than quadruple Vietnamese exports to the U.S. while driving American textile and apparel jobs to Asia. Our Western Hemisphere free trade partners and African Growth and Opportunity Act partners would be big losers as well.

And, indefensibly, it would inevitably result in the outsourcing of more than 8,000 textile and apparel products made today by U.S. workers and U.S. companies for the U.S. military to Chinese manufacturers. These products amount to more than \$2 billion a year in vital equipment for our fighting men and women.

We cannot support a trade agreement that gives one country and its state-owned and subsidized industry such an enormous and unfair advantage over privately owned American businesses and their workers, and gives an undeserved boost to a government-owned industry in a country that is not even a party to the TPP. The “yarn forward” rule must remain intact with no loopholes in the TPP.

Furthermore, as we have done in previous free trade agreements, the U.S. should insist that the TPP include extended tariff phase-outs for goods produced in TPP countries that heavily subsidize their apparel industry, as is the case in Vietnam. We should also require the agreement include an electronic customs enforcement system that will prevent countries from cheating.

With these provisions, the textile section of the TPP could be a landmark achievement for proponents of free and fair trade and an engine of job creation in the U.S. and all TPP countries. Without them, hundreds of thousands of American workers could lose their livelihoods to workers in countries that believe free trade is a one-way street. Now, more than ever, America must demand fair treatment for American made goods and for the rules and benefits of genuinely free and fair trade.

Coble has represented North Carolina’s 6th congressional district in the House of Representatives since 1985. He serves on the Judiciary and Transportation and Infrastructure committees, and is co-chairman of the Textile Caucus. Pascrell represents New Jersey’s 9th congressional district and has served in the House since 1997. He sits on the Budget and Ways and Means committees, and is co-chairman of the Textile Caucus. Mulvaney has represented South Carolina’s 5th congressional district since 201. He serves on the Financial Services and Small Business committees, and is a member of the Textile Caucus.

New NSA allegations rile foreign allies

German weekly reports of alleged covert listening device installations in EU offices

BY LARA JAKES
and FRANK JORDANS
Associated Press

WASHINGTON — The Obama administration faced a breakdown in confidence Sunday from key foreign allies who threatened investigations and sanctions against the U.S. over secret surveillance programs that reportedly installed covert listening devices in European Union offices.

U.S. intelligence officials said they will directly discuss with EU officials the new allegations, reported in Sunday's editions of the German news weekly *Der Spiegel*. But the former head of the CIA and National Security Agency urged the White House to make the spy programs more transparent to calm public fears about the American govern-

ment's snooping.

It was the latest backlash in a nearly monthlong global debate over the reach of U.S. surveillance that aims to prevent terror attacks. The two programs, both run by the NSA, pick up millions of telephone and Internet records that are routed through American networks each day. They have raised sharp concerns about whether they violate public privacy rights at home and abroad.

Several European officials — including in Germany, Italy, France, Luxembourg and the EU government itself — said the new revelations could scuttle ongoing negotiations on a trans-Atlantic trade treaty that, ultimately, seeks to create jobs and boost commerce by billions annually in what would be the

world's largest free trade area.

"Partners do not spy on each other," said EU Justice Commissioner Viviane Reding. "We cannot negotiate over a big trans-Atlantic market if there is the slightest doubt that our partners are carrying out spying activities on the offices of our negotiators. The American authorities should eliminate any such doubt swiftly."

European Parliament President Martin Schulz said he was "deeply worried and shocked about the allegations of U.S. authorities spying on EU offices." And Luxembourg Foreign Minister and Deputy Prime Minister Jean Asselborn said he had no reason to doubt the *Der Spiegel* report and rejected the notion that security concerns trump the broad U.S. surveillance authorities.

"We have to re-establish immediately confidence on the highest level of the European Union and the United States,"

Asselborn told The Associated Press.

According to *Der Spiegel*, the NSA planted bugs in the EU's diplomatic offices in Washington and infiltrated the building's computer network. Similar measures were taken at the EU's mission to the United Nations in New York, the magazine said. It also reported that the NSA used secure facilities at NATO headquarters in Brussels to dial into telephone maintenance systems that would have allowed it to intercept senior officials' calls and Internet traffic at a key EU office nearby.

The *Spiegel* report cited classified U.S. documents taken by NSA leaker and former contractor Edward Snowden that the magazine said it had partly seen. It did not publish the alleged NSA documents it cited nor say how it obtained access to them. But one of the report's authors is Laura Poitras, an award-winning documentary

filmmaker who interviewed Snowden while he was holed up in Hong Kong.

Britain's *The Guardian* newspaper also published an article Sunday alleging NSA surveillance of the EU offices, citing classified documents provided by Snowden. The *Guardian* said one document lists 38 NSA "targets," including embassies and missions of U.S. allies like France, Italy, Greece, Japan, Mexico, South Korea, India and Turkey.

In Washington, a statement from the national intelligence director's office said U.S. officials planned to respond to the concerns with their EU counterparts and through diplomatic channels with specific nations.

However, "as a matter of policy we have made clear that the United States gathers foreign intelligence of the type gathered by all nations," the statement concluded. It did not provide further details.

Article notes: July 1, 2013 CTPC agenda

China Hints at Softening on Trade Talks (5/30/13)

- Contrary to a previous stance, China has officially indicated that it would be willing to consider participating in the TPPA;
- Previously, China had been quite wary of the TPPA negotiations, feeling that the TPPA might be aimed at curbing China's growing international trade presence;
- In an official statement, the Chinese government indicated that it hoped that the "TPP negotiations are able to increase transparency"; and
- Potential obstacles to China's participation in the TPPA include potential rules regarding state-owned enterprises and currency trading; both of which are staples of China's unique brand of "state-led capitalism".

Worlds Apart: Making Sure Trade Policies Improve Global Health | Commentary (5/31/13)

- This opinion piece is authored by U.S. Congressman (D) and physician Jim McDermott who lives in the State of Washington. Congressman McDermott expresses his deep reservations about the current USTR negotiating stance on intellectual property issues as they affect the availability of generic drugs;
- Current international trade agreements contain strong rules on intellectual property that properly protect innovations for the development of new drugs while at the same time providing adequate access for poorer, undeveloped nations to acquire generic drugs to fight current health threats such as AIDS;
- The current USTR stance for the TPPA advocates for very rigid and restrictive intellectual property rules which would significantly inhibit the availability of generic drugs that are critically needed by underdeveloped countries; and
- The USTR proposal disrupts the current status quo by significantly extending monopoly protections for newly developed drugs, requires patents for new versions of old medicines that do not do anything different and outlaws the practice of "pre-grant opposition" which allows doctors and patients to provide information about drug patents that do not meet national rules.

Obama's Covert Trade Deal (6/2/13)

- This article is an advocacy piece that maintains that President Obama and the USTR are flouting past traditions of relative transparency and adequate congressional oversight when it comes to the review and approval of the TPPA;
- Contrary to past practice of President George W. Bush, who released online the full draft text of the 2001 Free Trade of the Americas, the USTR has not released a draft of the nearly complete TPPA agreement. Instead, access to the draft treaty has been limited to a group of approximately 600 trade "advisers" – many of whom are representatives of big business;
- Big business has a vested interest in ensuring that the TPPA protect their interests to the detriment of the greater good of the American public and international free trade in general;
- There are numerous parts of the TPPA that could circumvent state and federal law and result in the restriction of the availability of generic medicines, more restrictive rules regarding patents and copyrights and the inclusion of incentives which would hasten the further relocation of domestic manufacturing to offshore sites;
- Members of the Senate have been denied access to the TPPA draft documents and are likely to have to pass judgment on the draft treat in an up or down vote which will be mandated by the co-called "fast-track authority" that president Obama is seeking for approval of the TPPA; and

- Former USTR Ron Kirk previously stated that his opposition to making the draft TPPA agreement public was because he felt that to do so would result in opposition sufficient to defeat the treaty.

Over Two-Thirds of Democratic House Freshmen Tell Party Leadership They Oppose Transferring Their Constitutional Trade Authority to the President (6/11/13)

- More than 2/3rds of freshmen Democrats in the U.S. House of Representatives have sent a letter to Representative Sander M. Levin, Ranking Member of the Ways and Means Committee and to Representative Nancy Pelosi, House Minority Leader, expressing their opposition to the proposal from President Obama to have Congress approve the TPPA through use of "fast track" authority which would require Congress to vote yes or no on the treaty in its entirety;
- The signees of the letter noted that after three years of TPPA negotiations that there have been no authorized releases of any of the TPPA draft sections and the few sections that have been leaked have stirred significant controversy; and
- The participating congressmen strongly object to the lack of adequate congressional oversight regarding the details of the TPPA and are opposed to the inappropriately broad delegation of Congress's constitutional trade authority via use of fast track authority.

Business Groups Urge Congress To Oppose Wave Of Buy American Requirements (6/12/13)

- Fifteen U.S. trade associations have asked Congress to oppose legislation that includes "Buy American" requirements;
- These groups include the Water and Wastewater Equipment manufacturers Association (WWEMA), U.S. Chamber of Commerce and the National Foreign Trade Council;
- "Buy American" legislation is opposed for several reasons including the reality that much of wastewater technology is comprised of components made outside of the United States. In addition, "buy American" requirements often result in retaliatory legislation in other countries thereby significantly hampering the ability of U.S. companies to engage in significant international trade opportunities; and
- In addition, "Buy American" requirements are opposed because of the real possibility that such requirements could undermine various international trade agreements such as the upcoming U.S.– European Union free trade agreement.

Obama trade dilemma: Scant support from Democrats (6/15/13)

- President Obama's efforts to promote free trade agreements such as the TPPA and the Trans-Atlantic Trade and Investment Partnership are likely to run into significant opposition from Congressional Democrats as well as some Republicans;
- Free trade agreements such as the TPPA usually have the support of Republicans but a number of congressional Republicans may oppose the upcoming trade agreements simply because they are opposed to the President;
- On the other hand, traditional democratic constituency groups such as labor unions, human rights and environmental groups have often opposed free trade agreements like NAFTA in the past and are likely to have significant reservations about the TPPA and the upcoming European Union agreement. The reservations from these groups centers on the possible loss of American jobs and various workplace and environmental abuses that often occur in foreign countries;
- Japan's inclusion in the TPPA was also opposed by lawmakers from auto manufacturing states which object to Japan's restrictions on auto imports; and
- In general, business in the U.S. tends to support free trade agreements while labor tends to oppose them.

China Hints at Softening on Trade Talks

May 30, 2013

China has suggested it might be willing to join U.S.-led talks to strike an Asia-Pacific free-trade agreement, signaling a possible softening of its stance on the proposal shortly ahead of a key meeting between the U.S. and Chinese leaders.

BEIJING—China has suggested it might be willing to join U.S.-led talks to strike an Asia-Pacific free-trade agreement, signaling a possible softening of its stance on the proposal shortly ahead of a key meeting between the U.S. and Chinese leaders.

China's official press and academics in policy circles have generally been wary of talks to establish what is known as the Trans-Pacific Partnership. The talks include the U.S. and Japan and are focused on reducing trade and investment barriers among the 12 nations involved in the negotiations. Some critics in China say it is partly aimed at containing China's growing economic influence.

But this week a spokesman for China's Ministry of Commerce said that China would analyze the pros and cons as well as the possibility of joining the talks "based on careful research and according to the principles of equality and mutual benefit."

The spokesman, Shen Danyang, said in a statement posted on the ministry's website on Thursday that Beijing was also soliciting the views of other government departments.

On Friday, Foreign Ministry spokesman Hong Lei said "the Chinese side has an open-minded attitude with regard to the TPP... and other initiatives conducive to promoting Asia-Pacific economic integration and common prosperity."

Mr. Hong, speaking to reporters at a regular news briefing, said Beijing was paying close attention to the discussions and that it hopes that "TPP negotiations are able to increase transparency."

It wasn't immediately clear how much of a policy shift this might prove to be, and China would face major hurdles in joining the talks. Talks would most likely include issuing rules covering matters such as state-owned enterprises and currency trading—fixtures of China's unusual brand of state-led capitalism.

But the change in tone was evident. While Chinese officials have been circumspect about the TPP in public comments, state media has been more critical. In February, the People's Daily, the mouthpiece of the Communist Party, said in a commentary that "the U.S. effort to bring in Japan to the TPP is aimed at curbing the influence of China in the Asia-Pacific region."

The remarks from the Chinese ministries came shortly before a meeting between China's president and Communist Party leader Xi Jinping and U.S. President Barack Obama in the U.S.

next week. Mr. Xi is already on his way to the Americas, making stops in Trinidad and Tobago, Costa Rica and Mexico ahead of the meetings with Mr. Obama at an estate in California.

China could offer other moves to assuage the U.S. ahead of the talks. Currency markets in recent weeks have bid up the value of China's currency, the yuan, partly on expectations that China may move to give it greater flexibility in daily trading.

Ma Xiaoping, an economist at HSBC, called the change in tone a gesture, though cautioning against excessively high expectations. "It won't have any substantial impact on China or global trade any time soon. It's more like China's gesture of openness."

Another analyst said that Beijing's position on the trade talks has indeed been changing. "The government comments represent the view that China shouldn't miss any global trade negotiations no matter who is leading them," said Citigroup economist Ding Shuang, adding that there is a growing view that if Beijing wants to have a say in the pact, it needs to participate in the rules making.

"It's a start, but the TPP threshold is high and China is still far away from participating in it substantially," he said.

Japan is joining 11 nations already in talks on the TPP: the U.S., Canada, Mexico, Peru, Chile, Vietnam, Malaysia, Singapore, Brunei, Australia and New Zealand. Members hope to reach a deal by the end of this year. The addition of Japan would boost the proposed agreement to one covering nearly 40% of world economic output.

Some state media and prominent experts in China include the TPP among other signs of what they say see as a policy of containment by the U.S. against China. They point to the recent U.S. military and diplomatic pivot toward Asia, which has included deployment of an early-warning radar system in Japan that U.S. officials say is aimed at North Korea, as well as deployment of U.S. Marines in Australia.

Mr. Xi is a vocal proponent of a rejuvenation effort called the China Dream. Experts say the China Dream includes a prominent military and economic role for China in the Asia-Pacific region.

—Yajun Zhang, Brian Spegele and William Kazer

CQ NEWS – OPINION

May 31, 2013 – 12:56 p.m.

CQ NEWS – OPINION

May 31, 2013 – 12:56 p.m.

Worlds Apart: Making Sure Trade Policies Improve Global Health | Commentary

By Rep. Jim McDermott

As a member of Congress and a physician, I am very proud of the enormous generosity of the American people. Through their engagement, and their tax dollars, Americans help millions of disadvantaged people around the world by providing access to medical care and essential drugs. Unfortunately, we are also currently negotiating sweeping international trade agreements that may curtail our ability to continue helping the poorest of the poor.

Working as a doctor in sub-Saharan Africa during the 1980s, I witnessed the AIDS epidemic devastate entire communities. I saw adults die far too young and watched women pass HIV to their newborns without a cure or a compressive response. Amazingly, assuring an AIDS-free generation is not only within reach today; it is, in fact, an official policy goal of the U.S. government. And while the global progress of HIV/AIDS treatment and prevention is impressive, it is just one of many global disease control efforts that the United States has spearheaded and pursued.

With America's record of global health leadership in mind, I am troubled by what may happen to access to medicines for the poor around the world as a result of our new trade agreements. The Trans-Pacific Partnership is being negotiated right now. It includes 10 countries of the Pacific Rim, including developing countries such as Peru, Malaysia and Vietnam. If the TPP agreement is done right, it will encourage and support American exports and create needed jobs in the United States. The critical intellectual property provisions of the pact should protect inventors and developers of breakthrough innovations, but they cannot be so restrictive that they cost millions of lives in less developed countries.

At the beginning of TPP negotiations two years ago, for reasons that are unclear, the U.S. asked the other 10 countries to accept new and very rigid intellectual property measures that would greatly limit availability of the affordable generic medicines that the success of U.S.-supported global health programs require. For example, more than 98 percent of HIV/AIDS medicines used to fight AIDS in Africa are generics, mostly made in Asia.

The United States is currently party to many international agreements that include strong intellectual property protections. These agreements protect innovation, including 20-year patents on new drugs, but they also allow enough flexibility for poorer countries to respond to public health needs with accessible, low-cost drugs. We worked hard to get these rules in place and they are working well.

But the U.S.' current TPP proposal on medicines upends the present well-structured balance by extending monopoly protections much further. It would force people in developing countries to wait longer for affordable medicines, if they can access them at all. It would extend patents beyond the current 20-year norm and block national regulators from using existing clinical trial data to approve the production of generic or "bio-similar" drugs.

Alarming, the proposal also outlaws "pre-grant opposition" that allows doctors and patients to provide information to their governments about patents they believe do not meet national rules, an important democratic safeguard. The proposal also requires the patenting of new versions of old medicines, even when the new versions offer no additional therapeutic benefits. It even

requires patenting of surgical, therapeutic and diagnostic methods, which not only is unethical but also could increase medical liability and the cost of practice.

Six years ago, my congressional colleagues and I battled similar issues during negotiations on trade pacts with Peru, Colombia and Panama, and we reached bipartisan agreement to protect public health. The “May 10th Agreement,” as it’s called, is working but now some are insisting on abandoning that effective approach.

The TPP may create millions of jobs here in the U.S. It also must facilitate even broader access to lifesaving medicine in our partner nations. The current U.S. proposal is being revisited now; it must be modified to reflect the beneficial balance we established years ago.

Global health, innovation and access to medicines are top priorities for many members of Congress and should be for this administration.

A TPP agreement that exacerbates already-delayed access to generic medicines is unacceptable. TPP has been called a “21st Century Agreement,” but it will be anything but fresh if it makes crucial medicines even scarcer throughout the developing nations of the world.

Rep. Jim McDermott, D-Wash., is co-chairman of the bipartisan Congressional HIV/AIDS Caucus.

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Obama's Covert Trade Deal

By LORI WALLACH and BEN BEACHY

Published: June 2, 2013

WASHINGTON - THE Obama administration has often stated its commitment to open government. So why is it keeping such tight wraps on the contents of the Trans-Pacific Partnership, the most significant international commercial agreement since the creation of the

The agreement, under negotiation since 2008, would set new rules for everything from food safety and financial markets to medicine prices and Internet freedom. It would include at least 12 of the countries bordering the Pacific and be open for more to join. President Obama has said he wants to sign it by October.

Although Congress has exclusive constitutional authority to set the terms of trade, so far the executive branch has managed to resist repeated requests by members of Congress to see the text of the draft agreement and has denied requests from members to attend negotiations as observers - reversing past practice.

While the agreement could rewrite broad sections of nontrade policies affecting Americans' daily lives, the administration also has rejected demands by outside groups that the nearly complete text be publicly released. Even the George W. Bush administration, hardly a paragon of transparency, published online the draft text of the last similarly sweeping agreement, called the Free Trade Area of the Americas, in 2001.

There is one exception to this wall of secrecy: a group of some 600 trade "advisers," dominated by representatives of big businesses, who enjoy privileged access to draft texts and negotiators.

This covert approach is a major problem because the agreement is more than just a trade deal. Only 5 of its 29 chapters cover traditional trade matters, like tariffs or quotas. The others impose parameters on nontrade policies. Existing and future American laws must be altered to conform with these terms, or trade sanctions can be imposed against American exports.

Remember the debate in January 2012 over the Stop Online Piracy Act, which would have imposed harsh penalties for even the most minor and inadvertent infraction of a company's copyright? The ensuing uproar derailed the proposal. But now, the very corporations behind SOPA are at it again, hoping to reincarnate its terms within the Trans-Pacific Partnership's sweeping proposed copyright provisions.

From another leak, we know the pact would also take aim at policies to control the cost of medicine. Pharmaceutical companies, which are among those enjoying access to negotiators as "advisers," have

long lobbied against government efforts to keep the cost of medicines down. Under the agreement, these companies could challenge such measures by claiming that they undermined their new rights granted by the deal.

And yet another leak revealed that the deal would include even more expansive incentives to relocate domestic manufacturing offshore than were included in Nafta - a deal that drained millions of manufacturing jobs from the American economy.

The agreement would also be a boon for Wall Street and its campaign to water down regulations put in place after the 2008 financial crisis. Among other things, it would practically forbid bans on risky financial products, including the toxic derivatives that helped cause the crisis in the first place.

Of course, the agreement must eventually face a Congressional vote, which means that one day it will become public.

So why keep it a secret? Because Mr. Obama wants the agreement to be given fast-track treatment on Capitol Hill. Under this extraordinary and rarely used procedure, he could sign the agreement before Congress voted on it. And Congress's post-facto vote would be under rules limiting debate, banning all amendments and forcing a quick vote.

Ron Kirk, until recently Mr. Obama's top trade official, was remarkably candid about why he opposed making the text public: doing so, he suggested to Reuters, would raise such opposition that it could make the deal impossible to sign.

Michael Froman, nominated to be Mr. Kirk's replacement, will most likely become the public face of the administration's very private negotiations and the apparent calculation that underlies them. As someone whose professional experience has been during the Internet era, he must know that such extreme secrecy is bound to backfire.

Whatever one thinks about "free trade," the secrecy of the Trans-Pacific Partnership process represents a huge assault on the principles and practice of democratic governance. That is untenable in the age of transparency, especially coming from an administration that is otherwise so quick to trumpet its commitment to open government.

Lori Wallach is the director of Public Citizen's Global Trade Watch, where Ben Beachy is the research director.

Over Two-Thirds of Democratic House Freshmen Tell Party Leadership They Oppose Transferring Their Constitutional Trade Authority to the President

Citizens Trade Campaign □ June 11, 2013

Washington, DC — More than two-thirds of Democratic freshmen in the U.S. House of Representatives expressed serious reservations today about the Trans-Pacific Partnership Free Trade Agreement (TPP FTA) negotiations and the prospect of delegating Fast Track “trade promotion authority” to the President. They voiced their concerns in a letter sent to House Democratic Leader Nancy Pelosi and Ranking Ways and Means Member Sander Levin that was spearheaded by Wisconsin Congressman Mark Pocan and signed by 35 other House freshmen.

“The administration has yet to release draft texts after more than three years of negotiations, and the few TPP FTA texts that have leaked reveal serious problems,” the letter reads. “Thus, we are especially concerned about any action that would transfer Congress’s exclusive Constitutional trade authority to the president.”

The TPP is poised to become the largest Free Trade Agreement in U.S. history. The twelve countries currently involved — the United States, Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam — already cover approximately 40% of the global economy, and the TPP also includes a “docking mechanism” that could enable other countries to join over time. The TPP’s seventeenth major round of negotiations concluded in Lima, Peru last month, and negotiators are racing to complete their work by an October deadline set by President Barack Obama and others.

Under Article 1, Section 8 of the U.S. Constitution, Congress possesses exclusive authority to determine the terms of international trade agreements, but the Obama administration wants Congress to transfer that authority to the executive through a new delegation of Fast Track “trade promotion authority.” The President’s nominee for U.S. Trade Representative, Michael Froman, reiterated that request during his Senate confirmation hearing last Thursday.

Fast Track delegates Congress’ constitutional trade authority to the executive branch, allowing negotiators to determine the contents of trade agreement and to sign them before Congress has a vote on the matter. The rarely-used procedure also allows trade agreements to circumvent ordinary Congressional review, with the White House writing lengthy implementing legislation that is not amendable in committee or on the floor and must be voted on within 90 days of submission, leaving Congress with only take-it-or-leave-it approval of a completed package that, in the case of the TPP, is expected to be at least hundreds of pages long and cover some 29 separate chapters, affecting everything from food safety standards and medicine patents to energy regulations and public procurement decisions.

“It’s encouraging that so many new Members of Congress recognize the problems inherent with Fast Track, and are demanding a more meaningful role in trade policymaking for themselves and their constituents,” said Arthur Stamoulis, executive director of Citizens Trade Campaign. “Congressman Pocan and these other freshmen have demonstrated a real commitment to creating fair trade agreements that promote job creation and economic prosperity. That type of leadership is desperately needed if we’re going to stop letting big corporations ship our jobs overseas and dump our wages and benefits overboard along the way.”

A copy of the letter and its signatories follows:

The Honorable Sander M. Levin
Ranking Member
Ways and Means Committee
1106 Longworth House Office Building
Washington, D.C. 20515

Cc: The Honorable Nancy Pelosi

Dear Ranking Member Levin:

We look forward to working with you to establish United States trade policies that promote the creation of American jobs and support our national economic interests while safeguarding Congress’s prerogatives to determine what domestic policies best promote the public interest.

As the economy continues to recover from the greatest financial crisis since the Great Depression, we can all agree that we cannot afford to have American production and American jobs sent offshore because of unfair trade agreements that undermine our economic growth. When jobs and production factories are offshored, American wages are lost, American-made products decline, and our international interests are compromised.

Job offshoring was a major issue in the previous election that unites our constituents – Democrats, Republicans and Independents alike. Polling consistently shows that Americans oppose our past model of “trade” agreements that facilitate offshoring, undermine Buy American policies, and subject American laws to review by foreign tribunals empowered to order payment of unlimited U.S. tax dollars to foreign firms that seek to avoid playing by the same rules as U.S. firms.

Thus, we write with serious concerns about both the Trans-Pacific Partnership Free Trade Agreement (TPP FTA) now being negotiated by the Obama administration and the prospect of Congress delegating wide swaths of its Constitutional authority to

regulate trade (Article 1, Section 8) to the president through “Fast Track” or any other open-ended delegation of “trade promotion” authority.

In the last Congress, two-thirds of House Democrats joined together on a letter to President Obama demanding access to the draft TPP FTA texts and raising concerns about how the pact could internationally preempt Congress’s domestic policymaking prerogatives. They wrote:

“Since the United States will be obliged to bring existing and future U.S. policies into compliance with the norms established in the TPP FTA, the negotiations USTR is pursuing will create binding policies on future Congresses in numerous areas. These could include those related to labor, patent and copyright, land use, food, agriculture and product standards, natural resources, the environment, professional licensing, state-owned enterprises and government procurement policies, as well as financial, healthcare, energy, telecommunications and other service sector regulations.”

Unfortunately, today TPP FTA talks continue in extreme secrecy. The administration has yet to release draft texts after more than three years of negotiations, and the few TPP FTA texts that have leaked reveal serious problems. Thus, we are especially concerned about any action that would transfer Congress’s exclusive constitutional trade authority to the president.

Congress needs to work together to get American trade policy back on track – not give away its authority to do so. Reducing our authority to ensure our trade agreements serve the public interest will undermine our efforts to create American jobs and to reform a misguided trade policy that has devastated our manufacturing base through the offshoring of American production and American jobs.

Indeed, given the vast scope of today’s “trade” agreements, we do not believe that a broad delegation of Congress’s constitutional trade authority is generally appropriate. Negotiations on the TPP FTA delve deeply into many non-trade matters under the authority of Congress and state legislatures. If completed, the TPP FTA would lock in policies on these non-trade matters that could not be altered without consent of all other signatory countries. Thus, ensuring Congress has a robust role in the formative aspects of trade agreements is vital.

We are all deeply committed to creating jobs in our communities and across the country. To do so effectively, we believe it is critical that Congress maintains its authority to ensure American trade agreements are a good deal for the American people.

Sincerely,

U.S. Reps. Mark Pocan (WI-02), Ron Barber (AZ-02), Joyce Beatty (OH-03), Ami Bera (CA-07), Julia Brownley (CA-26), Tony Cardenas (CA-29), Matthew A. Cartwright (PA-17), William L. Enyart (IL-12), Bill Foster (IL-11), Lois Frankel (FL-22), Tulsi Gabbard

(HI-02), Pete P. Gallego (TX-23), Joe Garcia (FL-26), Alan Grayson (FL-09), Steven A. Horsford (NV-04), Jared Huffman (CA-02), Hakeem S. Jeffries (NY-08), Joseph Kennedy, III (MA-04), Ann Kirkpatrick (AZ-01), Annie McLane Kuster (NH-02), Alan S. Lowenthal (CA-47), Michelle Lujan Grisham (NM-01), Daniel B. Maffei (NY-24), Patrick Murphy (FL-18), Gloria Negrete McLeod (CA-35), Richard M. Nolan (MN-08), Beto O'Rourke (TX-16), Donald M. Payne Jr. (NJ-10), Raul Ruiz (CA-36), Carol Shea-Porter (NH-01), Kyrsten Sinema (AZ-09), Eric Swalwell (CA-15), Mark Takano (CA-41), Dina Titus (NV-01), Juan Vargas (CA-51), and Marc A. Veasey (TX-33).

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“...The fact that foreign companies could be shut out of municipal projects funded by the U.S. federal government is particularly troubling to some U.S. trading partners. For instance, Canada has tabled legal language in the Trans-Pacific Partnership negotiations that would require that projects carried out by sub-federal entities with money provided by the central government be open to competition from firms within TPP countries (*Inside U.S. Trade*, March 8)...”

Daily News

Business Groups Urge Congress To Oppose Wave Of Buy American Requirements

Posted: June 12, 2013

Fifteen trade associations last week urged House and Senate lawmakers to oppose legislation containing “Buy American” requirements, in an effort aimed in the near term at two pieces of legislation pending before the House that would impose such restrictions on federal funds for water infrastructure projects carried out at the municipal level.

In their June 5 letter, the groups did not refer to any specific legislation pending before Congress. But Dawn Champney, president of the Water and Wastewater Equipment Manufacturers Association (WWEMA), which spearheaded the letter, said in an interview that it was prompted in part by two pieces of water infrastructure legislation under consideration in Congress that contain Buy American language identical to that included in the 2009 stimulus bill.

WWEMA and the other signatories of the June 5 letter argued against Buy American provisions for two reasons. First, they noted that such provisions may restrict the ability of U.S. companies to participate in covered procurements since their products contain components manufactured abroad. Champney said WWEMA members sell complex systems for water treatment plants that depend on technologies from around the world.

Second, the letter argued that imposing Buy American restrictions in the United States could prompt other countries around the world to impose similar measures, to the detriment of U.S. exporters. Champney pointed out that countries such as Brazil, Malaysia and Canada imposed domestic content rules for certain procurements after the U.S. included Buy American requirements in the 2009 stimulus bill, in some cases citing the U.S. measures as a basis for their actions.

The letter, which was also signed by the U.S. Chamber of Commerce and the National Foreign Trade Council (NFTC), implored lawmakers to “resist temptation and oppose legislation containing any new or more stringent protectionist measures, such as Buy American, which create regulatory burdens on municipalities and industry, impede technology advancements, and restrict market growth.”

One of the bills that the letter is partially aimed at is the Water Resources Development Act, which passed the Senate on May 15 but has not yet been taken up by the House. The bill deals principally with flood protection and waterway projects but would also establish a five-year pilot program for funding water infrastructure projects that are \$20 million or larger.

Projects funded through this Water Infrastructure Finance and Innovation Authority program would be subject to Buy American provisions that require the use of steel, iron and manufactured goods produced in the U.S., with limited exceptions.

Similar language is included in a House bill that would provide \$13.8 billion in federal funds over five years to so-called "Clean Water State Revolving Funds," which provided subsidized loans to communities for wastewater infrastructure. That bill, H.R. 1877, was introduced by Rep. Timothy Bishop (D-NY) and has thus far gained 29 co-sponsors.

Both bills state that Buy American requirements must be carried out in accordance with U.S. obligations under international agreements. But Champney argued that this caveat is misleading because most public works projects, particularly in the area of water infrastructure, are carried out at the municipal level.

That is because the procurement of municipalities is not covered under the World Trade Organization's Government Procurement Agreement (GPA) or U.S. free trade agreements, although procurement by several major U.S. cities is covered under a 1995 memorandum of understanding with the European Union.

The fact that foreign companies could be shut out of municipal projects funded by the U.S. federal government is particularly troubling to some U.S. trading partners. For instance, Canada has tabled legal language in the Trans-Pacific Partnership negotiations that would require that projects carried out by sub-federal entities with money provided by the central government be open to competition from firms within TPP countries (*Inside U.S. Trade*, March 8).

Separately, NFTC is charging that a proliferation of Buy American bills at the state level could undermine pending trade negotiations. In a June 7 press briefing, NFTC Vice President Dan O'Flaherty warned that such state efforts could undermine negotiations for a U.S.-European Union free trade agreement and talks on China's GPA accession.

He said that is because they amount to the U.S. placing new barriers on government procurement at the same it is urging these partners to further open their procurement markets to U.S. companies.

Buy American bills have been introduced in 20 states this year, up from just 5 states last year, O'Flaherty said. But he conceded that only two states – Maryland and Ohio – have actually approved such legislation. In addition, Texas Governor Rick Perry last month signed into law a bill that contains Buy American requirements for water projects funded by the Texas Water Development Board, according to Champney.

Both Maryland and Texas cover some of their procurement under the GPA, while Ohio does not. NFTC is reaching out to state attorneys general in its efforts to oppose the bills.

O'Flaherty noted that the drive for Buy American legislation at the state level has been led by the Alliance for American Manufacturing, which is funded in part by the United Steelworkers.

Champney said U.S. ductile iron pipe companies have also supported Buy American requirements for water infrastructure projects.



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Obama trade dilemma: Scant support from Democrats

Saturday, June 15, 2013 -- The Associated Press

U.S. Politics

Saturday, June 15, 2013

Author(s):

Associated Press

WASHINGTON — President Barack Obama is aggressively pushing an ambitious agenda to liberalize global trading.

But already political trade wars are forming, and they're with fellow Democrats rather than with Republicans, his usual antagonists.

Obama is promoting free-trade proposals with Europe and Asia that could affect up to two-thirds of all global trade.

The ambitious deals would reduce or eliminate tariffs and other trade barriers. But there's trouble ahead for both the Trans-Pacific Partnership and the Trans-Atlantic Trade and Investment Partnership — at the negotiating table and from Congress.

The deal with Europe will be a top item this coming week in Northern Ireland at the Group of Eight summit of major industrial democracies. But French and other objections have recently surfaced which could delay the planned launch of the negotiations.

The Asia pact was brought up pointedly by the new Chinese president, Xi Jinping, in his California meetings with Obama last weekend.

Republicans historically have supported free-trade agreements far more than have Democrats, and a politically weakened Obama may not have enough second-term clout to successfully twist the arms of enough Democratic lawmakers.

Some Republicans who usually vote for easing trade barriers may vote "no" just because the agreements will bear Obama's signature.

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Both deals generally have the support of U.S. businesses. But labor unions and human rights and environmental groups — core Democratic constituencies — have so far viewed them cynically.

These organizations, and Democrats in general, say that free-trade deals can cost American jobs and lead to environmental and workplace abuses that would not be tolerated in the U.S.

"We certainly have concerns," said Celeste Drake, a trade and policy specialist at the AFL-CIO, the nation's largest labor federation. "I think Obama realizes this problem about Republicans always being the big supporters (on trade liberalization) and he would like to have our support. But overall we're skeptical. We wish we'd see more."

It's not a new problem.

President Bill Clinton powered the U.S.-Mexico-Canada North American Free Trade Agreement through Congress in 1993 only by heavily courting Republicans and overcoming stiff Democratic opposition, including from House Democratic leaders and unions.

As he campaigned for president in 2008, Obama courted blue-collar votes by criticizing NAFTA. Since then, he's changed his tune.

Obama worked to overcome Democratic resistance to win passage in 2011 of trade pacts with South Korea, Panama and Colombia, completing negotiations begun by his Republican predecessor, President George W. Bush.

The talks for a new Asia-Pacific free-trade zone came up in the Obama-Xi meetings last weekend.

At first, the deliberations involved the United States and 10 Pacific Rim nations: Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. More recently, Japan has sought to join the talks, drawing the keen interest of the Chinese leader. Until now, China hasn't been included in the process.

"We have a half-a-trillion-dollar-a-year trade relationship with China," said Tom Donilon, Obama's national security adviser. "President Xi's point ... was that the Chinese would like to be kept informed and have some transparency into the process."

But the possible inclusion of Japan, the third-largest economy, after the U.S. and China, generated heat from auto-state lawmakers, who criticized Japan's efforts to restrict auto imports.

Sen. Debbie Stabenow, D-Mich., pledged to fight ratification if Japan won't "stop blocking American companies from its markets."

Michael Froman, a White House international economics adviser nominated to be the next U.S. trade representative, said the auto industry concerns are "well-founded" and he suggested they would be addressed.

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Backers of a sweeping U.S. trade deal with the 27 European Union countries hoped to get an enthusiastic sendoff from the G-8 summit in Northern Ireland on Monday and Tuesday.

British Prime Minister David Cameron, the host, has made trade liberalization a priority, and many European nations are hoping the promise of expanded trade will help reverse Europe's spreading recessions.

"An EU-US trade deal could add tens of billions to our economies," Cameron told reporters. "Everything is on the table, with no exception."

But there already are serious divisions in Europe.

Despite Cameron's and Obama's assertions that everything should be on the table, the European Union Parliament bowed to strong French concerns and recently voted to exclude TV, movies and other cultural "audiovisual services" from the trade talks even before formal negotiations begin next month.

France stuck to this "cultural exception" at a meeting of the EU members in Luxembourg on Friday.

Also, some members of the European Parliament are urging that data protection provisions be made a key part of the negotiations — in response to recent disclosures of widespread snooping by the U.S. intelligence community on telephone and Internet communications at home and abroad.

Other potential roadblocks include longstanding arguments over genetically engineered food and other agricultural issues, as well as "Buy American" provisions in recent U.S. legislation, climate change and a squabble over government subsidies involving plane makers Boeing in the U.S. and Airbus in Europe.

"Both sides know that they need to work very hard," said Philipp Rosler, vice chancellor of Germany and minister of economics and technology.

"And only if the people understand that, and only if we don't end up just having discussions on tiny details — like chickens — only then will we have the opportunity of not only negotiating, but also of concluding a good agreement," Rosler told a conference at the Brookings Institution, a U.S. think tank.

Obama, with the backing of Michigan Rep. Dave Camp, the Republican chairman of the House Ways and Means Committee, is also pushing for renewal of an expired law that allowed the White House to submit trade deals to Congress for a straight yes-or-no vote without amendments.

"This is a Congress that's pro-trade. But it's also highly polarized," said James Thurber, a political science professor at American University. "Business has been pushing these trade deals for a long time. Labor has not. So that splits things in a difficult manner for Obama."

"He's got people who don't want him to win on anything. And then he's got some people from labor who are skeptical about expansionistic trade policies and their effect on the workforce here," Thurber said. "So it will be tough."

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10 §11. MAINE JOBS, TRADE AND DEMOCRACY ACT

1. Short title. This section may be known and cited as "the Maine Jobs, Trade and Democracy Act."

[2003, c. 699, §2 (NEW) .]

2. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Commission" means the Citizen Trade Policy Commission established in Title 5, section 12004-I, subsection 79-A. [2003, c. 699, §2 (NEW) .]

B. "Trade agreement" means any agreement reached between the United States Government and any other country, countries or other international political entity or entities that proposes to regulate trade among the parties to the agreement. "Trade agreement" includes, but is not limited to, the North American Free Trade Agreement, agreements with the World Trade Organization and the proposed Free Trade Area of the Americas. [2003, c. 699, §2 (NEW) .]

[2003, c. 699, §2 (NEW) .]

3. Purposes. The commission is established to assess and monitor the legal and economic impacts of trade agreements on state and local laws, working conditions and the business environment; to provide a mechanism for citizens and Legislators to voice their concerns and recommendations; and to make policy recommendations designed to protect Maine's jobs, business environment and laws from any negative impact of trade agreements.

[2003, c. 699, §2 (NEW) .]

4. Membership. The commission consists of the following members:

A. The following 17 voting members:

- (1) Three Senators representing at least 2 political parties, appointed by the President of the Senate;
- (2) Three members of the House of Representatives representing at least 2 political parties, appointed by the Speaker of the House;
- (3) The Attorney General or the Attorney General's designee;
- (4) Four members of the public, appointed by the Governor as follows:
 - (a) A small business person;
 - (b) A small farmer;
 - (c) A representative of a nonprofit organization that promotes fair trade policies; and
 - (d) A representative of a Maine-based corporation that is active in international trade;
- (5) Three members of the public appointed by the President of the Senate as follows:
 - (a) A health care professional;
 - (b) A representative of a Maine-based manufacturing business with 25 or more employees; and
 - (c) A representative of an economic development organization; and
- (6) Three members of the public appointed by the Speaker of the House as follows:
 - (a) A person who is active in the organized labor community;
 - (b) A member of a nonprofit human rights organization; and
 - (c) A member of a nonprofit environmental organization.

In making appointments of members of the public, the appointing authorities shall make every effort to

appoint representatives of generally recognized and organized constituencies of the interest groups mentioned in subparagraphs (4), (5) and (6); and [2003, c. 699, §2 (NEW).]

B. The following 4 commissioners or the commissioners' designees of the following 4 departments and the president or the president's designee of the Maine International Trade Center who serve as ex officio, nonvoting members:

- (1) Department of Labor;
- (2) (rp)
- (3) Department of Environmental Protection;
- (4) Department of Agriculture, Food and Rural Resources; and
- (5) Department of Human Services. [2007, c. 266, §1 (AMD).]

[2007, c. 266, §1 (AMD) .]

5. Terms; vacancies; limits. Except for Legislators, commissioners and the Attorney General, who serve terms coincident with their elective or appointed terms, all members are appointed for 3-year terms. A vacancy must be filled by the same appointing authority that made the original appointment. Appointed members may not serve more than 2 terms. Members may continue to serve until their replacements are designated. A member may designate an alternate to serve on a temporary basis.

[2003, c. 699, §2 (NEW) .]

6. Chair; officers; rules. The first-named Senate member and the first-named House of Representatives member are co-chairs of the commission. The commission shall appoint other officers as necessary and make rules for orderly procedure.

[2003, c. 699, §2 (NEW) .]

7. Compensation. Legislators who are members of the commission are entitled to receive the legislative per diem and expenses as defined in Title 3, section 2 for their attendance to their duties under this chapter. Other members are entitled to receive reimbursement of necessary expenses if they are not otherwise reimbursed by their employers or others whom they represent.

[2003, c. 699, §2 (NEW) .]

8. Staff. The Office of Policy and Legal Analysis shall provide the necessary staff support for the operation of the commission. After one year, the commission shall assess the need for and qualifications of a staff person, for example, an executive director. If the commission determines that it requires such a person, it may request additional funds from the Legislature.

[2003, c. 699, §2 (NEW) .]

9. Powers and duties. The commission:

A. Shall meet at least twice annually; [2003, c. 699, §2 (NEW).]

B. Shall hear public testimony and recommendations from the people of the State and qualified experts when appropriate at no fewer than 2 locations throughout the State each year on the actual and potential social, environmental, economic and legal impacts of international trade agreements and negotiations on the State; [2003, c. 699, §2 (NEW) .]

C. Shall every 2 years conduct an assessment of the impacts of international trade agreements on Maine's state laws, municipal laws, working conditions and business environment. The assessment must be submitted and made available to the public as provided for in the annual report in paragraph D; [2007, c. 266, §2 (AMD).]

D. Shall maintain active communications with and submit an annual report to the Governor, the

Legislature, the Attorney General, municipalities, Maine's congressional delegation, the Maine International Trade Center, the Maine Municipal Association, the United States Trade Representative's Office, the National Conference of State Legislatures and the National Association of Attorneys General or the successor organization of any of these groups. The commission shall make the report easily accessible to the public by way of a publicly accessible site on the Internet maintained by the State. The report must contain information acquired pursuant to activities under paragraph B and may contain information acquired pursuant to activities under paragraph C; [2007, c. 266, §3 (AMD).]

E. Shall maintain active communications with any entity the commission determines appropriate regarding ongoing developments in international trade agreements and policy; [2003, c. 699, §2 (NEW).]

F. May recommend or submit legislation to the Legislature; [2003, c. 699, §2 (NEW).]

G. May recommend that the State support, or withhold its support from, future trade negotiations or agreements; and [2003, c. 699, §2 (NEW).]

H. May examine any aspects of international trade, international economic integration and trade agreements that the members of the commission consider appropriate. [2003, c. 699, §2 (NEW).]

[2007, c. 266, §§2, 3 (AMD) .]

10. Outside funding. The commission may seek and accept outside funding to fulfill commission duties. Prompt notice of solicitation and acceptance of funds must be sent to the Legislative Council. All funds accepted must be forwarded to the Executive Director of the Legislative Council, along with an accounting that includes the amount received, the date that amount was received, from whom that amount was received, the purpose of the donation and any limitation on use of the funds. The executive director administers any funds received.

[2003, c. 699, §2 (NEW) .]

11. Evaluation. By December 31, 2009, the commission shall conduct an evaluation of its activities and recommend to the Legislature whether to continue, alter or cease the commission's activities.

[2003, c. 699, §2 (NEW) .]

SECTION HISTORY

2003, c. 699, §2 (NEW). 2007, c. 266, §§1-3 (AMD).

10 §12. QUORUM

For purposes of holding a meeting, a quorum is 11 members. A quorum must be present to start a meeting but not to continue or adjourn a meeting. For purposes of voting, a quorum is 9 voting members. [2007, c. 266, §4 (NEW).]

SECTION HISTORY

2007, c. 266, §4 (NEW).

10 §13. LEGISLATIVE APPROVAL OF TRADE AGREEMENTS

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Commission" means the Citizen Trade Policy Commission established in Title 5, section 12004-I, subsection 79-A. [2009, c. 385, §1 (NEW).]

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B. "Trade agreement" means an agreement reached between the United States Government and any other country, countries or other international political entity or entities that proposes to regulate trade, procurement, services or investment among the parties to the agreement. "Trade agreement" includes, but is not limited to, any agreements under the auspices of the World Trade Organization, all regional free trade agreements, including the North American Free Trade Agreement and the Central America Free Trade Agreement and all bilateral agreements entered into by the United States, as well as requests for binding agreement received from the United States Trade Representative. [2009, c. 385, §1 (NEW) .]

[2009, c. 385, §1 (NEW) .]

2. State official prohibited from binding the State. If the United States Government provides the State with the opportunity to consent to or reject binding the State to a trade agreement, or a provision within a trade agreement, then an official of the State, including but not limited to the Governor, may not bind the State or give consent to the United States Government to bind the State in those circumstances, except as provided in this section.

[2009, c. 385, §1 (NEW) .]

3. Receipt of request for trade agreement. When a communication from the United States Trade Representative concerning a trade agreement provision is received by the State, the Governor shall submit a copy of the communication and the proposed trade agreement, or relevant provisions of the trade agreement, to the chairs of the commission, the President of the Senate, the Speaker of the House of Representatives, the Maine International Trade Center and the joint standing committees of the Legislature having jurisdiction over state and local government matters and business, research and economic development matters.

[2009, c. 385, §1 (NEW) .]

4. Review by commission. The commission, in consultation with the Maine International Trade Center, shall review and analyze the trade agreement and issue a report on the potential impact on the State of agreeing to be bound by the trade agreement, including any necessary implementing legislation, to the Legislature and the Governor.

[2009, c. 385, §1 (NEW) .]

5. Legislative approval of trade agreement required. Unless the Legislature by proper enactment of a law authorizes the Governor or another official of the State to enter into the specific proposed trade agreement, the State may not be bound by that trade agreement.

[2009, c. 385, §1 (NEW) .]

SECTION HISTORY

2009, c. 385, §1 (NEW) .

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