

Meeting Summary
Maine Citizen Trade Policy Commission
March 22, 2013
Room 214, Burton M. Cross State Office Building
Augusta, Maine

Members Present: Senator Jackson, Senator Sherman, Representative Treat, Representative McCabe, Steve Cole, Jay Wadleigh, Linda Pistner, Bob Umphrey, Mike Karagiannes, Wade Merritt

Staff: Lock Kiermaier (Contract)

Upon the required number of members being present to constitute a quorum, the meeting was convened by the Chairs at approximately 9:30 AM.

In the first item of the proposed agenda, Senator Jackson and Representative Treat asked Commission members to introduce themselves. In addition, CTPC staff person Lock Kiermaier re-introduced himself as the contracted staff. Previously, Mr. Kiermaier had served as CTPC staff from December 2011 to July 2012 when his initial contract expired.

PowerPoint presentation from Representative Sharon Treat: “Trade Policy 101: Trade Fundamentals and the Impact of the TransPacific Partnership on Maine”

The second item on the agenda involved a PowerPoint presentation from Representative Sharon Treat, current CTPC chair and IGPAC member of the USTR, regarding an overview of international trade fundamentals and the possible effects of the TPPA on Maine. A brief outline of Representative Treat’s presentation is as follows:

1. Who Determines Trade policy?
 - a. USTR is within the Executive Office of the President;
 - b. USTR negotiates trade treaties but Congress has approval authority; and
 - c. In recent past, Presidents have relied on “Fast Track Authority” in which Congress votes up or down with no amendments.
2. State role in trade policy is limited
 - a. Formal roles are largely limited to Intergovernmental Policy Advisory Council (IGPAC) and State Points of Contact (SPOC);
 - b. Most negotiated trade treaty texts are confidential; lack of transparency; and
 - c. Lack of state expertise.
3. Who advises on trade policy?
 - a. Many advisory committees to the USTR with cleared status; and
 - b. Heavy representation of industry trade groups.
4. Many International trade treaties currently in effect
 - a. NAFTA, CAFTA etc.
5. What is the Trans-Pacific Partnership Agreement (TPPA)?
 - a. A trade treaty currently being negotiated by most Pacific Rim nations including United States, Australia, Canada, New Zealand, Vietnam, Peru, Mexico and others;

- b. Japan is now seeking membership;
 - c. 16th round of negotiations just completed; and
 - d. Varying perspectives exist on the value of the TPPA ranging from essential trade policy to an instrument of the “1%”.
6. Benefits to Maine from the TPPA? TPPA perspective is Yes.
 - a. Expand market access for the export of Maine products;
 - b. Healthy exports support Maine jobs; and
 - c. Most Maine exports are from small or medium sized businesses.
7. Some concern that TPPA could represent a back-door expansion of NAFTA;
8. Significant TPPA issues
 - a. Tariffs; reduction of tariffs on footwear could threaten many jobs in Maine;
 - b. Rules of Origin- “Made in USA” issues;
 - c. Tobacco- sovereignty of federal and state regulation could be threatened;
 - d. Procurement – state procurement requirements could be threatened; and
 - e. Access to medicines – could reduce access to generics and increase prices.
9. CTPC Assessment in 2012
 - a. Conducted by Robert Stumberg of Georgetown University;
 - b. Focused on TPPA issues relating to Tobacco, Pharmaceuticals and Procurement; and
 - c. Complete document is available on-line at:
<http://www.maine.gov/legis/opla/CTPC2012finalassessment.pdf>
10. TPPA timetable and process
 - a. Obama administration has announced a goal of finalizing the TPPA in October, 2013;
 - b. Deadline may be unrealistic given recent inclusion of Canada and Mexico and pending membership of Japan;
 - c. New USTR Ambassador has not yet been appointed; and
 - d. Obama administration has not yet obtained Congressional approval of “Fast Track Authority.

As the next topic on the Agenda, the CTPC segued into a far reaching discussion of the TPPA through a consideration of an article (available on the CTPC website) titled, Overview of TransPacific Partnership Negotiations”. Representative Treat led this review and discussion which got into more detailed discussion of the significant TPPA issues briefly identified in her preceding PowerPoint presentation. Some of the questions and issues that were discussed included the following:

- How are disputes arising from conflicting provisions of different trade treaties resolved? (Lock Kiermaier, CTPC Staff) Representative Treat responded that the answer to this question has not been resolved and hopefully will be addressed by the final version of the TPPA. CTPC member Wade Merritt later commented that the issue of “superseding treaties” has not really come up before and agreed that it needs to be resolved;
- CTPC member Linda Pistner also brought up the subject of “regulatory coherence” and the possible need for a federal regulatory forum. Ms. Pistner further suggested that it is difficult for states to know where to be on particular trade issues. Representative Treat

also commented that another unresolved question is who, or what party, makes the decision(s) about what are the prevailing standards on a particular issue; and

- CTPC member Steve Coles asked who is likely to be appointed as the next USTR ambassador. Representative Treat answered that the probable nominee is not yet known but the current Acting USTR, Mr. Demetrios Maraantis, is prominent within the USTR and is generally well regarded.

The next agenda item concerned previous letters from the CTPC to the USTR concerning the results and conclusions of the 2012 CTPC Assessment conducted by Professor Robert Stumberg of Georgetown University. The CTPC sent these letters in August of 2012 and essentially asked the USTR to respond to specific issues and concerns raised by the Assessment with regards to the topics of Procurement, Tobacco and Pharmaceuticals. CTPC staff person Lock Kiermaier explained that aside from a scheduled conference call that the CTPC had with USTR representative Jean Grier on the topic of Procurement, that some members of the CTPC were dissatisfied with the lack of specific responses regarding Tobacco and Pharmaceuticals. As a result of this discussion, CTPC staff person Lock Kiermaier was asked to try to schedule a similar conference call with a USTR representative on either of the two remaining topics for the next CTPC meeting.

CTPC members then proceeded to discuss several other related issues including:

- As an additional speaker for the next CTPC meeting, CTPC staff person Lock Kiermaier was asked to invite Ms. Kathy Leonard of Auburn Manufacturing to come speak as a representative of small business that is a member of the USTR and could add a valuable perspective to many of the issues before the CTPC;
- CTPC member Wade Merritt also mentioned the possibility of having his parent organization, the Maine International Trade Center, make a presentation to a future meeting of the CTPC; and
- CTPC member Steve Coles then mentioned the relative vacuum that the CTPC operates in with regards to pending legislation before the Legislature that might have a direct bearing on international trade issues. Lock Kiermaier stated that he will work on providing the CTPC with a regular summary of relevant legislation while the Legislature is in session.

The next item on the agenda was a brief summary from Lock Kiermaier regarding the following articles; all of which are available on the CTPC website:

<http://www.maine.gov/legis/opla/ctpcmeetmatrls32213.pdf>

- “Senate Finance Committee holds Hearing on the President’s Trade Agenda, Asks Questions on TPP and Trade Promotion Authority”
- “USTR Announcement: Obama Administration Notifies Congress of Intent to Negotiate Transatlantic Trade and Investment Partnership”
- “Japan to Join the Trans-Pacific Partnership – Finally!”

- “From Negotiation to Policy: the Power of a Trade Pact”

As a final agenda item, the CTPC members present agreed that the next CTPC meeting will be scheduled for Friday, April 26th from 9:30 to 11:30 in the Cross Office Building in Augusta. Lock Kiermaier will notify the CTPC as to the exact room location.

The meeting was adjourned at approximately 11:30 AM.