

Meeting Summary
Maine Citizen Trade Policy Commission
October 27, 2015
Room 208, State House
Augusta, Maine

Members Present: Senator Amy Volk, Representative Robert Saucier, Representative Craig Hickman, Randy Levesque, Sharon A. Treat, Christy Daggett, John Palmer, Pam Megathlin, Janet Mills

Staff: Lock Kiermaier (Contract)

CTPC Chair Senator Amy Volk convened the meeting at approximately 1 PM.

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

After the introductions had been made, CTPC staff Lock Kiermaier stated that because the statutorily required minimum quorum of 11 members had not been met, that a formal meeting could not take place and that no formal vote could take place. In a further discussion of this topic, Mr. Kiermaier explained that current CTPC law provides for 22 appointed positions to the CTPC, that only 12 to 15 appointed members attend meetings on a regular basis and that current law requires that 9 voting members must be present for a formal vote to take place. Those members present appeared to favor a statutory change to 9 members required to start a meeting and a quorum of 7 voting members must be present for a vote to take place. It was decided that the CTPC Chairs will work with Mr. Kiermaier to draft a proposed statutory change to be submitted to the Legislature.

Presentation and Discussion with Matt Jacobson, Executive Director of the Maine Lobster Marketing Collaborative

During his presentation to the CTPC, Mr. Jacobson made the following points:

- The Maine Lobster Marketing Collective (MLMC) came into being as a response to a decline in prices for lobsters in 2012. The MLMC was designed to be a professional, robust, well-funded marketing effort to stabilize the price and availability of Maine lobsters. Mr. Jacobson was hired in August of 2014 and later that year a commodity marketing firm was hired to further promote the sale of Maine lobsters. The MLMC has a marketing budget of \$1.5 million in the current year and \$2.2 million for next year which is comparatively low for commodity marketing efforts in other states. Because of a lack of reliable data for “dock prices” it has been difficult to accurately determine the exact state of recent prices and thus how to more effectively market lobsters. It was decided to focus marketing efforts on the summer months with the most catch and try to increase the dock price. A total of 10% of Maine’s annual lobster catch is exported with approximately 2% going to China. Because of that relatively low percentage going to exports, it was decided to focus ongoing marketing efforts on increasing domestic

purchase of lobsters and more specifically on the fact that 90% of lobsters are eaten in restaurants with a young clientele that is heavily involved in social media.

- In terms of the TPP, there are several concerns:
 - it is anticipated that the TPP will revise regulatory measures for businesses and the environment, as well as establish a new arbitration process;
 - There is a need for greater transparency in investor/state dispute provisions;
 - One can anticipate cutbacks in domestic manufacturing.
- On a more positive note, the TPP has the potential for:
 - Opening new markets for US goods in quickly growing economies;
 - A reduction or elimination in existing tariffs for lobsters;
 - Increase in the current 41.8 billion in exported goods to TPP countries;
 - A boost for small businesses in that 98% of exporters in the US are small businesses.
- In 2014, seafood was Maine's leading export with a value of \$456.67 million:
 - Of that total, lobster exports accounted for \$366 million with \$21.5 of that total going to China.
- In terms of the TTIP, concerns include:
 - Disparities regarding food safety regulations;
 - Public health standards;
 - Environmental protection standards; and
 - Protection of labor and worker rights.
- Positive aspects of the TTIP include:
 - US exports will become more competitive with elimination of duties and tariffs; and
 - Due to a recent EU-Canadian free trade agreement, the TTIP will allow the US to have an equal tariff status with that of Canada.

Presentations from CTPC member Sharon A. Treat on the current status of the TPP and an update on the proposed Regulatory Chapter of the TTIP

Next, CTPC member Sharon A. Treat provided a series of comments on several free trade agreement topics:

- With regards to the current status of the TPP, Ms. Treat offered the following observations:
 - Due to many delays in the projected release date of the TPP text, Ms. Treat suggested that any public hearing held by the CTPC should be delayed until the text has been completely released;
 - The actual release date of the TPP text cannot be determined at this time;
 - The delays in the release of the TPP text have many reasons including the 12 different TPP nations which have to clear the text in at least 3 different languages;
 - The delay in the release of the TPP text is also attributable to the many side agreements that the US and other countries have entered into as a part of the overall TPP agreement;

- In terms of the Fast Track (TPA) agreement reached by Congress with the President, there is a lengthy process of review before the TPP can be voted upon. Some estimates are that the TPP will not be voted upon until late in 2016;
- In addition, final approval of the TPP also depends on approval from the other eleven nation signatories;
- Many of the provisions in the TPP will not go into effect for a period of several (or many) years;
- Disagreement over the topic of drug “exclusivity” also contributed significantly to the delay in finalizing the TPP;
- The inclusion of a tobacco “carve out” from the ISDS process in the TPP is a significant improvement that the CTPC has been advocating for.
- With regards to the proposed Regulatory Chapter of the TTIP, Ms. Treat made the following comments:
 - Ms. Treat recently met with chief negotiators for the TTIP and presented a recent article “*Preempting the Public Interest: How TTIP Will Limit US States’ Public Health and Environmental Protections*” that she wrote for the Center for International Environmental Law;
 - Ms. Treat’s article discusses the possible implications of a loss in state sovereignty that could result from adoption of the chapter on Regulatory Cooperation as presented by the EU;
 - Due to her status as a Cleared Advisor for the USTR, Ms. Treat was unable to discuss the specific contents of her discussions with the TTIP negotiators but she was able to learn that the USTR was going to present its views on Regulatory Cooperation as proposed by the EU. In brief, she found that the USTR negotiators were open to what she had to say in her article and displayed a different perspective on this issue than their EU counterparts.

Articles of interest (Lock Kiermaier, Staff)

Next, CTPC staff person Lock Kiermaier briefly referred to a summary of 18 articles pertaining to some aspect of free trade agreements. The written summary and copies of the articles in their entirety can be viewed at the CTPC website:

<http://legislature.maine.gov/legis/opla/ctpcmtgmtrlsoc2715.pdf>

Adjournment

The meeting was adjourned at approximately 3 PM.