

Meeting Summary
Maine Citizen Trade Policy Commission
May 24, 2013
Room 214, Burton M. Cross State Office Building
Augusta, Maine

Members Present: Senator Jackson, Senator Patrick, Senator Sherman, Representative Treat, Representative Ayotte, Steve Cole, Linda Pistner, Jay Wadleigh

Staff: Lock Kiermaier (Contract)

After determining that the statutory requirement that 11 members must be present to officially convene would not be met, the Chairs declared this meeting of the CTPC was for informational purposes only and that no formal motions or votes would be taken. The informational meeting was then convened at approximately 9:30 AM.

To begin the meeting, Senator Jackson and Representative Treat asked Commission members to introduce themselves.

Review of Legislative Bills of Interest

In the first item of the proposed agenda, staff person Lock Kiermaier, reviewed a spreadsheet that he had prepared, at the commission’s request, titled “Bills of Possible Interest; updated as of 5/23/13”. This document reviewed a number of legislative bills before the First Regular Session of the 126th Maine State Legislature that might have relevance to the mission of the CTPC. This list of bills was generated by staff within the Office of Policy and Legal Analysis. An abbreviated list of these bills by title and their current status can be viewed in the following table:

<u>LD #</u>	<u>Bill Title</u>	<u>Status</u>
890	An Act To Buy American-made Products	Divided Report
491	An Act Regarding Timber Harvesting on Land Managed by the Division of Parks and Public Lands	Tabled in the Senate
1315	An Act To Ensure the Safety of Compounded Drugs	OTP-AMD
171	An Act To Facilitate the Licensing of International Mail Order Prescription Pharmacies by the Maine Board of Pharmacy	Divided Report
449	An Act To Ensure Consumer Choice in the Purchase of Prescription Drugs	Carry Over Request
813	An Act To Promote the Sale of Maine Milk	ONTP; dead
1326	An Act To Prevent Youth Tobacco Use	Divided Report
1338	An Act To Prohibit State and Local Governments from Contracting with Corporations That Engage in Business in Known Terrorist States	Divided Report
1381	An Act To Promote Rural Job Creation and Workforce	ONTP; dead

	Development	
1254	An Act To Increase Consumption of Maine Foods in All State Institutions	Divided Report
1103	An Act To Encourage Development in the Logging Industry	Divided Report
1151	An Act Regarding the Administration and Financial Transparency of the Citizen Trade Policy Commission	Enacted; on the Appropriations Table

Upon discussion, the following points were made about particular bills in this list:

- As amended out of committee, LD 890 is watered down and now focuses on state purchasing only; municipal and public education purchasing are removed from the amended bill; a primary topic in the issue of “Buy American” is the definition of what that phrase may mean including an analysis of the components of a particular manufactured item; recent international trade treaties have carved out procurement issues like “Buy American” and allow states to develop these types of purchasing requirements;
- LD 171 and LD 449 both deal with the international mail order purchase of prescription drugs from licensed pharmacies and are quite similar; the more pressing issue on this topic appears to be whether federal rules have precedence over state rules; additionally, there are international trade concerns about the role of Customs in the review and possible seizure of mail order prescription drugs;
- Although LD 813 is ONTP and therefore dead, the topic of dairy in international trade is very important and is a major stumbling block in the current TPPA negotiations; the prospect of the importation of tariff-free dairy products into the U.S. from countries like New Zealand is of grave concern to the American dairy industry;
- Similarly, although LD 1326 is also dead, the topic of how tobacco is treated in international trade is a hugely significant issue currently before the TPPA negotiators; the USTR proposal would create a limited carve out of how tobacco is treated with regards to health-related regulations for tobacco control in various counties; and
- LD 1338 deals with certain purchasing requirements for state and local governments with regards to known terrorist states and LD 1254 requires the state to purchase certain Maine grown foods and as such, both bills touch upon the subject of the sovereignty of states to determine purchasing requirements which are outside the purview of international trade treaties.

Daniel Deveau, Maine Canadian Trade Ombudsman

As a follow up to the previous CTPC meeting on April 26th, Mr. Daniel Deveau, the Maine Canadian Trade Ombudsman, was invited to return to the CTPC to make a formal presentation regarding his statutory role and responsibilities and to discuss prominent Maine-Canadian trade issues with the commission.

Mr. Deveau structured his presentation around the following documents that he provided to the CTPC for this meeting:

- Statutory Requirements for the Maine Canadian Trade Ombudsman; Current Maine law (5 MRSA §263) prescribes that the Ombudsman shall be responsible for;

- Administering the office of Ombudsman;
 - Providing advice to the Governor, the Legislature and agencies of Maine state government regarding Maine-Canadian trade issues;
 - Representing the State of Maine on a national level for Maine-Canadian trade issues; and
 - Investigating complaints regarding Maine-Canadian trade issues and negotiating resolutions of these complaints.
- U.S – Canadian Trade Relationship with regards to energy;
 - Energy security; Canada currently imports 2.7 million barrels of crude oil and other refined petroleum products to the U.S. every day; and
 - Canada is the largest supplier of oil, natural gas and electricity to the U.S.
- Maine – Canadian Trade Relationship;
 - Canada is Maine’s largest trading partner;
 - On an annual basis, Maine exports \$1.1 billion in trade to Canada and imports \$2.1 billion in trade from Canada;
 - 29,200 Maine jobs depend on Canadian trade;
 - Canadians annually spend \$356 million on tourism in Maine;
 - Top exports to Canada include forest products, agriculture and equipment and machinery; and
 - Top imports from Canada include energy, forest products and agriculture.
- Cooperation Agreement between the Gouvernement du Quebec and the Government of the State of Maine; Mr. Deveau revisited the recent agreement between Maine and the Province of Quebec, which was a topic of his informal remarks to the CTPC at the April 26th meeting. Mr. Deveau again made reference to a recent Memorandum of Understanding (MOU) that Governor LePage had recently signed with the Premier of Quebec Pauline Marois. The purpose of the MOU was to encourage economic development and to support job creation between the State of Maine and the Province of Quebec.

Mr. Deveau explained that the MOU accomplished the following:

- Encourages Maine and Quebec to coordinate with their business communities to set up partnerships and implement economic development initiatives;
 - Encourages an exchange of cross border solutions for clean energy initiatives; and
 - Established that a Quebec-Maine Joint Committee will be responsible for implementing the MOU.
- Recent Gubernatorial Proclamation Regarding Transportation of Potato Harvest; Mr. Deveau concluded his presentation to the CTPC by reviewing a recent gubernatorial proclamation from Governor LePage as an example of increased trade cooperation between Maine and Canada. This proclamation temporarily suspended current Maine law

to allow the use of farm vehicles to transport the potato crop to Canada via state highways.

Presentation from Representative Sharon Treat regarding her written comments submitted to the USTR on the Trans-Atlantic Trade and Investment Partnership (TTIP)

On the next item of the agenda, CTPC Chair Representative Sharon A. Treat made a brief presentation regarding a written statement that she had submitted to the USTR regarding the proposed Trans-Atlantic Trade and Investment Partnership (TTIP). Representative Treat submitted these comments in response to a request for comments on the TTIP from the USTR which was recently posted in the Federal Register.

In brief, while making clear that her written comments did not reflect an official motion of the CTPC, Representative Treat reiterated many of the past positions of the CTPC on international treaties such as the TPPA which are likely to have similar issues as those that will be discussed for the TTIP. Understanding that because a quorum had not been achieved for this meeting of the CTPC and a formal motion could not be made, Representative Treat asked if any of the members present at this informational meeting would be willing to personally endorse her written statement. The following members who were present at this meeting all offered their personal endorsement of Representative Treat's written statement to the USTR, dated May 10, 2013:

- Senator Troy Jackson, Co-Chair of the CTPC;
- Senator John Patrick;
- Senator Roger Sherman;
- Representative Bernard Ayotte;
- Jay Wadleigh;
- Deputy Attorney General Linda Pistner; and
- Stephen Cole.

Update on IGPAC/USTR activity from Representative Sharon Treat, CTPC Chair

Next, Representative Treat offered brief comments on the current state of TPPA negotiations by stating that the most recent negotiating round had just concluded in Lima, Peru and that many, if not most, of the major topics such as tobacco, pharmaceuticals and procurement have yet to be resolved.

Articles of Interest

As a final item from the proposed agenda, staff person Lock Kiermaier briefly summarized each of the following articles which are included in their entirety on the CTPC website:

- HHS Official Highlights Role in Formulating Tobacco, IPR Aspects of Trade Policy
- Cuba challenges Australian Tobacco Rules

- Coup d'Etat to Trade Seen in Billionaire Toxic Lead Fight
- Medical, Health Leaders: TPP Must Reduce Epidemic of Tobacco Use
- No Decision Yet on Japan Participation at Next TPP Round, Official Says
- State Lawmakers Make Demands on LNG, Environment Investment in TPP
- U.S. Tables SPS Text; Other Countries Float Pharmaceutical IP Ideas
- 2013 Report on Technical Barriers to Trade; USTR
- Live from the Trans Pacific Partnership: IP Chapter Shows No Sign of Resolution, End of Negotiation in 2013 Highly Unlikely

The meeting concluded with a brief discussion of the next meeting date. It was agreed that Lock Kiermaier would attempt to schedule a meeting that would coincide with the schedule of Ms. Kathie Leonard, president of Auburn Manufacturing, with the hopes that a mutually convenient meeting date could be agreed upon which afford her the opportunity to make a presentation to the CTPC.

The informational meeting of the CTPC concluded at approximately 11:30 AM.