

Meeting Summary
Maine Citizen Trade Policy Commission
August 6, 2015
Room 208, State House
Augusta, Maine

Members Present: Senator Amy Volk, Senator Rodney Whittemore, Senator John Patrick, Representative Robert Saucier, Representative Stacey Guerin, Representative Craig Hickman, Dr. Joel Kase, Randy Levesque, Justin French, Wade Merritt

Staff: Lock Kiermaier (Contract)

CTPC Chair Senator Amy Volk convened the meeting at approximately 10:00 AM.

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

Review 7/10/15 letter from CTPC Chairs to USTR Michael Froman

Lock Kiermaier, CTPC staff person, briefly reviewed a letter dated July 10, 2015 from the CTPC Chairs to USTR Michael Froman. This letter reiterated the past positions of previous CTPC letters regarding the need for a meaningful tobacco carve-out in the final TTP agreement. In particular, this letter referenced a previous letter dated August 1, 2012 sent to the previous USTR, Ronald Kirk, from the CTPC which strongly advocated for a comprehensive tobacco carve-out in the TPP and absent that approach, suggested a compromise approach which emphasized the need for a provision which specifically exempted all federal, state and local laws pertaining to tobacco from a public health perspective.

Mr. Kiermaier also mentioned that copies of the letter had been sent to members of Maine's Congressional delegation and that as August 6th, the Chairs had not yet received a response from the USTR.

Presentation from Janine Bisailon-Carey, President of the Maine International Trade Center

The commission next heard a presentation from Janine Bisailon-Carey, President of the Maine International Trade Center (MITC) which is located in Portland, Maine. Ms. Bisailon-Carey made use of a PowerPoint presentation to describe the purpose and recent accomplishments of the MITC:

- In 2014, Maine's top ten export partners included Canada, China, Malaysia, Japan, Netherlands, United Kingdom, Mexico, Republic of Korea, Germany and Italy. The value of goods exported to these countries ranged from a high of \$1.06 billion to Canada to \$37.4 million to Italy;
- For 2014, the top ten exported commodities included paper related products, seafood, wood related products, mineral related products, electric equipment, wood pulp, industrial machines, aeronautical equipment, vehicles and medical equipment. The value of these products ranged from \$294 million for paper related products to \$59 million for medical equipment;

- MITC provides services which include trade assistance, trade education and networking events, trade missions and trade shows;
- In terms of recent trade shows, MITC coordinated booths at 4 trade shows which involved 9 participating organizations with \$5.7 million in projected sales;
- In 2014, MITC also sponsored a trade mission to Iceland and the United Kingdom which featured over 300 attendees, 40 business matchmaking meetings and \$2.5 million in projected sales;
- MITC has also been instrumental in creating and housing the Maine North Atlantic Development Office which has been establishing and promoting trade relationships with Denmark, the Faroe Islands, Greenland and Iceland;
- MITC has also been instrumental in helping to implement StudyMaine which brings approximately 2,150 international students to secondary and post-secondary institutions in Maine with a total economic impact of more than \$70 million;
- MITC also helped sponsor a StudyMaine Education Mission to Kazakhstan which featured 88 one-on-one meetings, 5 school tours and fairs and over 75 attendees at MITC/ EducationUSA sessions;
- MITC has also implemented the Invest In Maine program which has helped bring over 100 foreign-owned companies to Maine with 30,400 jobs from Canada, Switzerland, Germany and Japan, and recently established offices in London and Shanghai;
- In 2014, MITC was instrumental in:
 - Helping to secure \$8.2 in exported sales;
 - Promoting export assistance grants with \$6.5 in reported sales with an estimated return-on-investment of 31:1; and
 - Securing more than \$800,000 in federal funding to expand Invest In Maine initiative.
- With regards to TPP countries, in 2014, the top 10 Maine exports included seafood, mineral related products, wood related products, paper related products, electric equipment, industrial machines, vehicles, aeronautical equipment, certain food products, wood pulp; the value of these products ranged from \$1.8 billion for seafood products to \$31 million for wood pulp;
- Existing tariffs on exports with a total value of over \$101 million from TPP and TTIP countries include:
 - Japan: 6 to 9.6% for frozen berries, 3.1% for biotech products; 8% for container bags and 1 to 5% for lobsters;
 - New Zealand: 5% for yachts;
 - Vietnam: 10% for lobsters and 25% for paper products;
 - EU: 6.5% for polyurethane plates; 8% for live lobsters; 20% for frozen lobsters; 2.7% for yachts and 2.7% for aircraft turbines.
- Since the implementation of the US/South Korea FTA in 2012, the export of lobsters has increased by more than \$12 million.

After her PowerPoint presentation, Ms. Bisaillon-Carey responded to several questions from commission members and staff:

- With regards to the exclusion of China from the TPP negotiations, the prospects for future export trade with China is promising particularly with regards to food products such as blueberries and lobsters;
- With regards to the possibility of establishing a trade relationship with Cuba, there appears to be export possibilities for food products and infrastructure products. Trade possibilities may be hindered by existing trade relationships between Cuba and other nations which have not been observing a trade embargo;
- Given the changing focus of FTAs from the elimination of tariffs to more of a focus on establishing common levels of regulation, FTAs can be used to indirectly to improve the degree to which human rights, standards of living and environmental protection issues are improved. In addition, the MITC role is to help inform the discussion around the policy used to formulate FTAs as opposed to proposing what the content and purpose of FTAs should be.

Presentation from Linda Murch, New England Field Coordinator for the Alliance for American Manufacturing

The commission next heard a presentation from Ms. Linda Murch, Field Coordinator for the Alliance for American Manufacturing. Ms. Murch presented written testimony dated August 6, 2015; this testimony included the following points:

- The Alliance for American Manufacturing (AAM) is a nonprofit, nonpartisan organization which was established in 2007 as a partnership between some leading manufacturers and the United Steelworkers. The purpose of the AAM is to strengthen American manufacturing and to create new private sector jobs through well-conceived public policies;
- With regards to the current negotiations for the TPP and TTIP, the AAM favors the following:
 - Trade Enforcement- strong domestic enforcement of FTAs;
 - Currency Manipulation- include enforceable rules in the TPP to deter currency manipulation; recent estimates regarding the elimination of currency manipulation indicate that Maine would gain approximately 24,000 jobs and 5.8 million jobs nationwide;
 - Market Access- remove tariff and non-tariff barriers to promote the export of American-made goods;
 - Rules of Origin- FTAs should include strong rules regarding the national origin of products;
 - Competition and State Owned Enterprises- To create a level playing field and to discourage the advent of state owned enterprises, FTAs should include rules that encourage market-oriented business practices; and
 - Government Procurement and Investment- FTAs should allow for and recognize domestic procurement rules.

Ms. Murch also submitted a letter dated July 24, 2015 from the AAM to USTR Michael froman which made the same points.

Articles of interest (Lock Kiermaier, Staff)

Next, CTPC staff person Lock Kiermaier briefly reviewed a summary of 25 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/ctpcmtgmats080615.pdf>

Adjournment

The meeting was adjourned at approximately 12:30 PM.