

Sen. Roger Sherman, Chair
Sen. Thomas Martin Jr.
Sen. John Patrick
Rep. Joyce Maker, Chair
Rep. Bernard Ayotte
Rep. Margaret Rotundo

Heather Parent
Stephen Cole
Michael Herz
Michael Hiltz
Connie Jones



Wade Merritt
John Palmer
Linda Pistner
Harry Ricker
Michael Roland
Jay Wadleigh
Joseph Woodbury

Staff:
Lock Kiermaier

STATE OF MAINE

Citizen Trade Policy Commission

August 1, 2012

The Honorable Ronald Kirk
Trade Ambassador
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Mr. Probir Mehta
Deputy Assistant for Intellectual Property & Innovation
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Re: 2012 Trade Policy Assessment; commissioned by the Maine Citizen Trade Policy Commission

Dear Ambassador Kirk and Mr. Mehta:

As you may know, the Citizen Trade Policy Commission (CTPC) is required by current Maine Law (10 MRSA Chapter 1-A) to provide an ongoing state-level mechanism to assess the impact of international trade policies and agreements on Maine's state and local laws, business environment and working conditions. An important part of the CTPC mandate is to conduct a biennial assessment on the impacts of international trade agreements on Maine.

We have enclosed a copy of our recently completed 2012 Trade Policy Assessment. In a process that is more fully described in an addendum included within the printed document, the Citizen Trade Policy Commission contracted with Professor Robert Stumberg of Georgetown University to conduct this assessment.

We believe that the 2012 Trade Policy Assessment is an invaluable tool for a more complete understanding of both the proposed TransPacific Partnership Agreement (TPPA) which is currently being negotiated and other international trade treaties and their current and potential effects on Maine. As a specific result of the 2012 Trade Policy Assessment, the CTPC has voted unanimously to make a number of recommendations regarding the potential treatment of *pharmaceuticals* within the TPPA and other international trade agreements:

- CTPC members voted to cite previous communications to the USTR regarding the treatment of pharmaceuticals in international trade treaties. In particular, we have also enclosed a letter dated February 12, 2010 which was addressed to Ms. Jennifer Choe Groves within the USTR. In that letter, the CTPC:
 - Voiced its support for evidence-based reimbursement decisions to restrain pharmaceutical prices;
 - Endorsed the continued state use of Preferred Drug Lists to also reduce pharmaceutical prices; and
 - Opposed any promotion of international restrictions on domestic pharmaceutical pricing programs.
- More specifically, the CTPC is unanimous in our support for the inclusion of a footnote in the TPPA and other trade agreements which “carves out” federal reimbursement programs such as Medicaid, 340 B and Medicare Part B;
- The CTPC also voted unanimously to support provisions in the TPPA and other international trade agreements which emphasize, allow for and encourage the overall affordability of pharmaceuticals in each affected country; and
- Finally, the CTPC requests that the USTR develop a clear public statement on the specific elements of a pharmaceuticals-related provision, as they are proposed by the USTR for consideration as a part of the TPPA.

In making these and other recommendations, members of the CTPC expressed a clear desire to further discuss these subjects in detail with either of you in the context of a public meeting held by the CTPC. We invite you to appear at such a public meeting at a date that is mutually satisfactory and as an alternative to you traveling to Maine, we suggest that a conference call could be arranged on a date to be determined in the near future.

On behalf of the CTPC, we thank you for your attention to the issues we have raised regarding any pharmaceutical-related provisions to be included in the TPPA and other international trade agreements and we look forward to discussing these issues with you in more detail.

Sincerely,



Senator Roger Sherman, Chair



Representative Joyce Maker, Chair

c: Governor Paul LePage
 Senator Olympia Snowe
 Senator Susan Collins
 Representative Michael Michaud
 Representative Chellie Pingree
 Maine State Representative Sharon Treat, member of Intergovernmental Policy Advisory Committee