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Wade Merritt
Pamela Megathlin
Christina Zaierek

Staff:
Lock Kiermaier

STATE OF MAINE

Citizen Trade Policy Commission

DRAFT AGENDA

Tuesday, June 21, 2016 at 1 P.M.
Room 208, Cross Office Building
Augusta, Maine

- I. Welcome and introductions
- II. Review of various letters regarding proposed EU ban on the importation of fresh US lobsters; comments from Chris Rector, Senator Angus King's office
- III. Presentation and discussion of draft outline for 2016 CTPC Assessment; Phil Trostel from The Margaret Chase Smith Policy Center, University of Maine and Catherine (Kate) Reilly deLutio
- IV. Overview of current FTA negotiations; Sharon Anglin Treat, CTPC member
- V. Articles of Interest – Lock Kiermaier, CTPC staff

Note: agenda order and times of presentation are subject to change.

Congress of the United States
Washington, DC 20515

March 28, 2016

The Honorable John F. Kerry
Secretary
Department of State
Washington, DC 20520

The Honorable Michael Froman
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dr. Kathryn Sullivan
Administrator
National Oceanic and Atmospheric Administration
Silver Spring, MD 20815

Dear Secretary Kerry, Ambassador Froman, and Administrator Sullivan:

We write to express our extreme concern over recent efforts by the Swedish Ministry of Environment and Energy to reclassify live Maine lobster as an invasive species and ban the importation of live lobsters to the entire 28-member European Union (EU). We urge you to engage in immediate efforts to ensure the continuation of safe and responsible import of live Maine lobsters, consistent with the EU's World Trade Organization (WTO) obligations.

The trans-Atlantic lobster trade, with an annual value of about \$196 million, is important for both North America and Europe. As live lobsters are Maine's top export to the EU, any attempt to halt their import could have serious ramifications for Maine lobstermen and their families. Access to the European market is essential for the maritime economy of our state.

While we understand Sweden's desire to preserve the integrity of their native species, it is critical that any action taken by the European Commission be consistent with WTO rules. Among other rules, the WTO requires that animal health protection measures be based on scientific principles, supported by scientific evidence. Moreover, such measures may not be disguised restrictions on international trade.

For decades, Maine has safely exported live lobster around the world. Studies by the University of Maine, a global leader in the scientific study of lobsters, have indicated the risk of Maine lobsters interbreeding with European lobsters is extraordinarily low. They also report that disease transmission risks associated with inadvertent contact are small, for reasons related to significant differences between European and Maine sea

temperatures.

Statements by the European Commission do not deem the appearance of alien species in new locations as a necessary cause for concern. Since only a small number of Maine lobsters have been found in foreign waters, we believe regulators should take a more finely tuned approach before calling this an "invasion." Some reports have suggested that individuals are releasing lobsters into European waters after their arrival. If this is the case, such a violation should be handled first by local law enforcement, rather than used to erect a barrier to legitimate international trade. It is important that any action be as prescriptive as possible. We hope the European Commission will exhaust all other options before potentially alienating a successful trading market.

It is in the best interest of all parties involved to maintain this sector of trans-Atlantic trade that supports so many Mainers and their families. Our lobstermen have heeded calls by President Obama to build export markets. We now need your help to ensure that the EU does not erect unjustified barriers to these markets.

Thank you for your consideration of our request. We look forward to hearing from you about steps that you and others in the Administration are taking to ensure live Maine lobsters remain available throughout Europe.

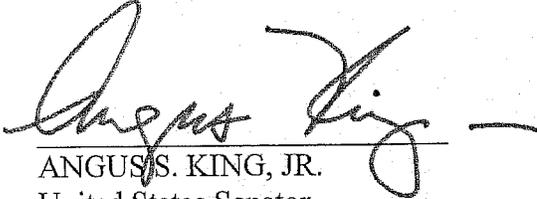
Sincerely,



SUSAN M. COLLINS
United States Senator



CHELLIE PINGREE
Member of Congress



ANGUS S. KING, JR.
United States Senator



BRUCE POLIQUIN
Member of Congress

cc: Honorable Penny Pritzker, Secretary, United States Department of Commerce



United States Department of State

Washington, D.C. 20520

APR 12 2016

The Honorable
Chellie Pingree
House of Representatives
Washington, DC 20515

Dear Ms. Pingree:

Thank you for your March 28 letter regarding the Swedish Ministry of Environment and Energy's effort to classify American Lobster as an invasive species and ban imports of live lobsters into the European Union (EU). We are actively working to ensure that the European Commission does not impede the legitimate trade of live lobsters, including those from Maine.

In late February, the Swedish government introduced a risk assessment study to the EU Directorate-General for Environment's Working Group on Biodiversity concluding that the American Lobster, *Homarus Americanus*, has been found in Swedish, Norwegian, and English waters, and that this species threatens local lobster species. The risk assessment study is the basis for Sweden's request that the European Commission consider the possible inclusion of the American Lobster in the EU list of Invasive Alien Species. Such inclusion could lead to a ban of imported live lobsters from the United States and Canada. However, the Commission must also consider the economic consequences of such a ban. The State Department is engaged with other U.S. agencies on this matter, and the Administration is working with academic and industry experts to evaluate the scientific basis of Sweden's risk assessment.

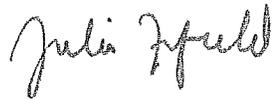
We strongly agree that it is important to maintain trade that supports the economies on both sides of the Atlantic. The Administration is in close contact with European officials to try to ensure that U.S. exports of live lobsters are not unjustifiably restricted, and we are working through our missions in Europe to emphasize that the EU should only take measures based on sound science. Our Ambassador in Sweden has also engaged with senior Swedish officials on the matter.

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Thank you for the information and views expressed in your letter. We will incorporate your concerns into our effort and welcome any additional information you believe can help us achieve our common goal of protecting the trade of live lobsters.

We hope this information is useful. Please do not hesitate to contact us if we can be of further assistance on this or any other matter.

Sincerely,



Julia Frifield
Assistant Secretary
Legislative Affairs



UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
1315 East-West Highway
Silver Spring, Maryland 20910
THE DIRECTOR

Mr. Daniel Calleja Crespo
Director General-DG Environment
European Commission
B-1049 Brussels Belgium

Dear Mr. Crespo:

This letter is to inform European Union (EU) authorities of the serious concerns the United States and Canada have with the risk assessment used to support Sweden's proposal, dated January 18, 2016, to include the species *Homarus americanus* on the EU list of invasive alien species (IAS).

With our huge freshwater resources and extensive coastlines, the United States and Canada are especially vulnerable to the threat of aquatic IAS. With this understanding, we share Sweden's, and the EU's as a whole, concern on the introduction and spread of IAS. We also trust there is a shared acknowledgement of the need for supporting scientific evidence to guide governments' efforts to address this threat. We wish to stress the need for any measure intended to curb the introduction and spread of IAS to be based on robust, peer-reviewed science, and to be no more restrictive on trade than necessary to achieve these objectives, as outlined in the WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement).

The Swedish risk assessment has undergone a preliminary analysis by a number of scientists from Canada and the United States, including from the United States' National Marine Fisheries Service (NMFS) and Canada's Department of Fisheries and Oceans (DFO). These preliminary analyses from NOAA and DFO, as well as an independent white paper response (April 12, 2016) by Dr. Robert S. Steneck, Professor of Marine Biology at the University of Maine, are included with this correspondence.

Among other claims, the Swedish risk assessment finds that there is a high risk of *Homarus americanus* successfully reproducing and overpowering the native *Homarus gammarus* in EU waters, with a major/massive ecological and economic impact. Our initial findings suggest that these conclusions are not supported by the best available science. There is no evidence of successful life cycle completion or establishment of *Homarus americanus* populations, or of negative impacts to biodiversity or related ecosystems, when introduced (deliberately or otherwise) outside of its native range in western North Atlantic waters.

It is the collective position of Canada and the United States that, for the Swedish risk assessment to be fully evaluated, complete information about the risk assessment model and methodology used, including supporting documentation, is required. We respectfully request any supporting documentation about the model and methodology used to develop the risk assessment document, including any records of how individual risk and uncertainty scores were assigned and then combined to arrive at the final overall levels of risk and uncertainty, so that we may perform a more thorough scientific evaluation of the risk assessment.



In addition to these scientific issues, the potential socio-economic impact of the proposed measure, including impacts on international trade and trading partners, has not been properly assessed in the risk assessment. We share the spirit of Regulation 1143/2014 that any decision to include a species in the EU list of IAS should be balanced and should take the costs and benefits of such decisions into consideration. Paragraph (13) of Regulation 1143/2014 reads:

"To ensure compliance with the rules under the relevant Agreements of the WTO and the coherent application of this Regulation, common criteria should be established to carry out the risk assessment. Where appropriate, those criteria should be based on existing national and international standards and should encompass different aspects of the characteristics of the species, the risk and modes of introduction into the Union, the adverse social, economic and biodiversity impact of the species, the potential benefits of uses and the costs of mitigation to weigh them against the adverse impact, as well as on an assessment of the potential costs of environmental, social and economic damage demonstrating the significance for the Union, so as to further justify action."

The socio-economic impact of adding *Homarus americanus* to the EU IAS list is significant, not only for Canada and the United States, but also for Europe. Collectively, Canada and the United States export over US\$200 million worth of live lobster to the EU. This represents a significant economic driver for numerous coastal communities involved directly and indirectly in the lobster fishery all along the northern Canadian and American coasts. From a European perspective, live lobster from North America generates investments, employment, and economic returns for the EU, and the entire supply chain—from storage, handling, importing, freight forwarding, processing, and distribution, to the retail sector and the catering and restaurant industries. All would be severely impacted by the inclusion of *Homarus americanus* on the EU's list of invasive alien species.

Based on the initial reviews undertaken by Canada and the United States of the Swedish risk assessment, both countries conclude that it does not provide sufficient basis for the European Union to place *Homarus americanus* on its list of invasive alien species, and we believe that Sweden's request should not be considered on these grounds.

Sincerely,



Eileen Sobeck
Assistant Administrator
for Fisheries

Enclosures

cc: Jean-Luc Demarty, Director General-DG Trade
João Aguiar Machado, Director General-DG Marine Affairs and Fisheries





Daniel Calleja Crespo
Director General - DG Environment
European Commission
B-1049
Brussels
Belgium

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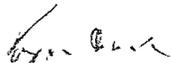
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Thank you for your consideration.


Tom Rosser
Senior Assistant Deputy Minister
Fisheries and Oceans Canada

Eileen Sobeck
Assistant Administrator
National Marine Fisheries Services

cc: Jean-Luc Demarty, Director General- DG Trade
João Aguiar Machado, Director General- DG Marine Affairs and Fisheries



**Opinion of the Seafish Science Advisory Group on the Risk Assessment of American lobster
(*Homarus americanus*) prepared by the Swedish Agency for Marine and Water Management**

13 June 2016

The Swedish risk assessment (SAMWM, 2016), which itself draws upon other similar assessments (e.g. Stebbing, 2016), presents a summary of the status of knowledge of the American lobster in European waters, including evidence for its presence in the wild and potential routes of entry into the open environment. Olenin et al. (2011) focus on general problems of detection and eradication/control of marine invasive species and impracticality and ineffectiveness of many attempts at control.

The assessment of risks covers the areas expected within such a document, but there are some issues that relate to the conclusions described in relation to the available evidence. In particular, in some cases, the conclusions on potential impacts seem disproportionate to the evidence that is presented and consequently use language that is too strong given what is known so far. This particularly includes referring to potential “major or massive” ecological impacts on ecosystems, which have been stated with “medium” confidence. For example (p. 30), in referring to the American lobster having a greater depth range compared to the European lobster the authors go on to state, “and thereby compete with other crustaceans for food and shelter, as well as affect the whole ecosystem”. This seems a sweeping conclusion that is neither evidenced nor sufficiently specific, and would require a more rigorous risk assessment and risk management approach (e.g. Cormier et al. 2013).

The confidence attached to many of these types of statements is stated to be medium, which may be over-stated given that these conclusions are mainly drawn from inferences from observations about the similar habitat preferences of the two lobster species and the apparent more aggressive characteristics of the non-native lobster. Similarly, while it is likely that the impacts of introductions into the wild will be higher if interbreeding with the native lobster is common (and in particular if the hybrids so produced are fertile), there is as yet no substantial evidence on either the level of interbreeding or the sterility of the hybrids produced (these have only been observed at egg stage). Even though escaped *H. americanus* have been identified as ovigerous in Europe (Sweden), there have been no reports of juveniles, so survival to mature adult and subsequent reproduction and recruitment into a local population cannot be assumed. It appears that even deliberately planned introductions have not been successful in achieving colonisation (e.g. France), so it is possible to challenge the qualification of this risk as “medium”. We do agree that such observations do highlight the need for vigilance in relation to the known introductions of American lobster.

The authors suggest that “major or massive” impacts would arise should the American lobster become established, but the evidence so far indicates that establishment is likely only on a local scale and they assess natural spread as “likely to be slow”. They assess the main method of dispersal would be via human involvement, resulting from movement between holding facilities. In fact, and as stated above, the deliberate introductions which occurred in previous times and without the benefit of contemporary knowledge on the impacts of non-native species apparently have been unsuccessful.

Supporting a profitable, sustainable and socially responsible future for the seafood industry.

Where the evidence may be more compelling is on the causes, sources and routes of entry into the open environment, where it is shown that there are low numbers of escapes relative to the very high number of lobsters imported and that these instances are mainly linked to nearby holding facilities. However, we must ask whether the level of risk has changed over time, and in looking at the import data in Tables 6 & 7 we cannot say that there is a marked change in terms of pressure of volume of trade (i.e. increasing numbers of animals brought into the EU, and therefore increasing numbers that may potentially escape). On that basis the level of risk of establishment of *H. americanus* has not changed over time. It should also be remembered that this is a high value product (even as individuals) so by far the greater incentive is for the animals to be retained within the holding units, and be received into the market (and therefore not be released into the wider environment).

What is the likelihood of the American lobster establishing itself in European waters and producing viable colonies?

There is no evidence for the establishment of viable colonies being likely. Systematic monitoring at all life cycle stages using molecular techniques may add more information on the level of risk. There is perhaps reason to suggest that authorities re-examine the requirements in relation to the security of holding facilities and transport pathways. Despite this, there are examples of N American marine species becoming established (e.g. *Ensis directus*).

What is the likelihood of the American lobster hybridising with the European lobster (*Homarus gammarus*) and what would be the ecological impact?

The potential for hybridisation has been demonstrated, but there is little information about what this means at a practical level. More research on the occurrence and viability of hybrids would provide useful insights into the potential for ecological impact. Existing DNA studies of European lobster in Northern Irish waters show high capability to identify individual families (parentage and offspring) and even determine movement/migration between areas.

What is the likelihood of transmission of contagious diseases such as gaffkaemia to native lobster populations?

Both the native European (*Homarus gammarus*) and American (*H. americanus*) lobsters are subject to a range of diseases, and the movement of livestock always carries the highest risk of disease transfer. Because of the relatedness of these two species, they share similar susceptibility to some diseases. The American lobster is subject to bacterial, fungal and parasitic conditions. The main diseases of potential relevance to this risk assessment are gaffkaemia, epizootic shell disease and bumper car disease as discussed below.

Gaffkaemia

This is a bacterial disease caused by the bacterium *Aerococcus viridans* var. *homari*. Initial reports of the disease were in USA and Canada in *H. americanus*. Some strains of the bacterium are highly virulent leading to sizeable levels of mortality in holding facilities. The European lobster, *H. gammarus*, is also susceptible to gaffkaemia and there have been reports of its presence in these lobsters in the wild at very low levels and in holding facilities (see Stebbing et al. (2012) for a review of pertinent literature). Therefore, we can presume that there is the potential for infected lobsters imported live into the UK to transmit the disease. Indeed, Stebbing et al. (2012) reported "The high genetic similarity of the isolates from the diseased lobsters in the holding facility" (in South Wales in 2006) "with previously characterised pathogenic North American isolates is suggestive of transfer of the bacterial pathogen to European lobsters in the UK from American lobsters at some point before 1962".

To our knowledge, no formal screening programme exists to check on live imports of American lobsters for gaffkaemia. However, because the disease is rapid in its development, it is very unlikely that any infected animals would be sent out from importers.

In conclusion, there is evidence that the presence of *A. viridans* var. *homari* in tissues of European lobsters can be traced back to imports of American lobsters into the UK from over 50 years ago. Levels of this disease in the natural population of European lobsters in UK coastal waters are very low (ca. 1%; Stebbing et al., 2012; Davies et al., 2015) and the only recorded 'outbreaks' have occurred in holding facilities. It must be stressed that because many diseases of fish and shellfish in the wild can be 'silent', we cannot be sure as to what role gaffkaemia plays in mortality of the European lobster in the UK.

Epizootic shell disease

Shell disease syndromes affect a wide variety of crustaceans including lobsters and crabs and are characterized by progressive erosion of the cuticle leading to pitting and unsightly lesions (Vogan et al., 2008). They are, however, not usually problematic to crustacean populations in the wild as they probably cause little mortality but they do affect the commercial value of such animals leaving them un-marketable.

Epizootic shell disease is a relatively new form of these syndromes first reported in American lobsters caught off the Eastern seaboard of the USA over a decade ago. Since the first reports of the disease, it has spread and is considered to be a serious threat to the viability of lobster fishing in these areas (Castro et al., 2012). The causative agent(s) of the disease are unknown but are likely to be bacterial in nature. Current thought is that unknown environmental factors cause the natural bacterial flora of the outer cuticle to become altered (a condition termed dysbiosis) resulting in progressive erosion of the carapace. The disease is particularly problematic in 'berried' lobsters. The environmental drivers of the disease are unclear but higher water temperatures resulting from climate change, are implicated in the emergence and spread of the disease (Maynard et al., 2016).

There are no published reports of epizootic shell disease in European lobsters. Indeed, shell disease in general is rare in these lobsters and limited in terms of its appearance and spread over the carapace (Wootton et al., 2012). To determine if European lobsters are susceptible to epizootic shell disease Whitten et al. (2014) and Davies et al. (2014) co-cultured juvenile American and European lobsters in an aquarium system with a history of episodes of epizootic shell disease. These experiments failed to show any formation of lesions in the European lobsters similar to those seen in epizootic shell disease following controlled abrasion of the carapaces and there were differences in the bacterial flora on the cuticles of both species despite co-culture (Whitten et al., 2014). It should be pointed out that this was a laboratory-based experiment using juvenile lobsters and the conditions may not reflect those in the wild. However, it was concluded that the risk of the transfer of epizootic shell disease from American to European lobsters is small but, because the aetiology of the condition is not understood, the chance of the spread of this infection could not be ruled out.

Bumper car (ciliate) disease

This disease is caused by the parasite *Anophryoides haemophila*. It affects American lobsters when water temperatures are low (<5 °C; Cawthorn, 1997). It is thought to be an example of an opportunistic pathogen most likely to cause problems in lobsters in holding facilities prior to shipment. To our knowledge there are no reports of this disease in European lobsters and therefore the potential risk posed to our native lobsters cannot be evaluated. In addition, bottom water temperatures in the UK are rarely lower than 5°C in areas where lobster fisheries are important.

Conclusions

There is evidence that gaffkaemia can be spread to European lobsters as a result of the importation of live lobsters. However, levels of disease in the population of these animals around our coastline are very low. Lobsters harbouring virulent strains of *Aerococcus viridans* var. *homari* may have been imported into the UK over 50 years ago but this has had only a limited effect on native lobsters in that time. Of more potential concern is the chance of epizootic shell disease crossing the species barrier and causing problems similar to those in some parts of the eastern seaboard of the USA. Here the risk is unknown but potentially much more serious than in other known infections. Overall, there are many studies that have shown the danger of importation of live infected animals and plants to native species in terms of disease transmission, and such activities can never be without risk.

However, under the Aquatic Animal Health Regulations, at least in England and Wales, the premises of importers of live shellfish that require a licence are subject to inspection by the Fish Health Inspectorate (FHI) (Cefas, 2016). It may therefore be assumed that Inspectors of the FHI, who are trained in biosecurity and aquaculture containment will act, at least in part, in mitigation of these risks. Since the UK's Aquatic Animal Health Regulations are the national implementation of European Directive 2006/88/EC, it may be assumed that there are similar controls in other EU states.

What is the risk of the American lobster acting as a vector for the introduction of invasive alien species such as barnacles, polychaetes, nematodes, foraminifera and copepods?

Potentially there could be a moderate risk, but at this stage it is difficult to quantify and a quick study would identify the candidate organisms very easily and then a further more refined risk assessment could be done. There is not enough evidence in the Swedish risk assessment to do anything other than speculate.

What is the likely threat to *H. gammarus* posed by the American lobster competing for shelter and food?

This is probably significant only if establishment became very widespread. Again a rigorous risk assessment and risk management approach would determine the causes and consequences of this (Cormier et al 2013).

Areas for action that may serve to avoid the inclusion of the American lobster in the Union List of alien invasive species

1. Conduct further research on the issue of reproductive viability of the hybrids, as viability will have a large bearing on speed and extent of genetic impact.
2. Similarly, if numbers in the wild remain low, the probability of individual American lobsters finding each other is very small, therefore this will limit spread and thereby establishment of pure American lobsters. Also, the assortive mating tendency of American lobsters will naturally tend to limit American:European hybridisation. These issues could be thoroughly studied on one or two worst-case locations where American lobsters and hybrid lobsters have already been found.
3. The findings of work on points 1 and 2 above would also have read-across to the issue of numbers of American lobsters outcompeting natives for food and space.
4. Set up a reassurance monitoring programme for the presence of juveniles, adults and eggs (using DNA analyses to determine origin) in European waters so that the extent of the presence of *H. americanus* in the wild can be determined and spatial and temporal trends monitored. This would be concentrated in areas where occurrence is more likely or already known and would also trigger more intensive sampling were numbers detected show any upward trends.

5. Tighten and fully implement the existing regulations regarding import, movement, sale and disposal of American lobsters, so that the potential for release into the wild is minimised. Consider whether any further regulations and inspection regimes can be introduced and can be harmonized across Europe. In regard of this point, it is clear that:
 - As noted in Section 1.03, national laws are already in place at least in Denmark, Norway, the UK and Sweden on the intentional release of live *H. americanus* into open waters. Monitoring and inspection needs to continue, and for those MSs that may not control these activities they should be considered under current aquatic animal health controls.
 - Where it may be required, steps can be taken to improve containment and holding facilities including treatment of wastewater, euthanising of moribund animals, introducing restrictions on sales to non-trade customers and regular disease monitoring and regulatory inspections.
 - There appears to be legislation in several EU member states that requires licensing and disinfection on import of these lobsters. These could be strengthened and harmonized, and controls could be introduced on internal and inter-member state transfers of American lobsters, as this is lacking at present. The GB case is an example where there are licensed introductions and prohibition of release but there is no monitoring of movement once in the country. As a specific example of regulatory improvement, the British risk assessment document (Stebbing, 2016) referred to in the Swedish risk assessment shows that in the UK there could be much better implementation of the provisions of the Lobster (Control of Deposit) Order and the Wildlife and Countryside Act. The authors believe that would radically reduce the risk posed by holding facilities. They also suggest further benefits by closer monitoring of decapod holding facilities as far as disease is concerned.
 - There should be an information programme to inform the public and industry about the risks of release and introduce rewards for finding American lobsters in the wild.
6. Formalise disease screening at source before export to Europe. Carry out a risk assessment and risk management approach, such as using the Bow-Tie method (as in ISO/IEC 31010), to objectively address the causes and consequences of such an introduction and address their prevention or mitigation.

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The objectives of the Seafish Science Advisory Group (SAG) are to help Seafish access, interpret and understand the full range of relevant scientific information, and to make judgements about its relevance, potential and application. In its operation, the SAG is guided by the Code of Practice for Scientific Advisory Committees published in 2011 by the Government Office for Science.

In the preparation of this Opinion, two members of the SAG adopted a minority position because they are employees of CEFAS, which is an advisory body to the UK Government.

For information on the Seafish Science Advisory Group, visit <http://www.seafish.org/about-seafish/our-structure/science-advisory-group-sag->

Sweden's Claim of *Homarus americanus* as Invasive Species

Contradictory Evidence

Compiled by James Tourkistas & Edited by the Lobster Institute

- 1) The European Union Risk Assessment Background Document Item 3 makes clear that the presence of “contradictory information” or the lack of information is to be characterized as a high level of uncertainty. As pointed out below, many of the claims espoused in the Swedish RA lack a strong scientific foundation confirming them. The Swedish RA also leaves out multiple sources of contradictory information or makes veiled references to their content. This brings into question the very independence of their peer reviewers. To assert any confidence in something based on so many assumptions seems inappropriate especially given the EU's standards.

- 2) No example of American lobsters being invasive has ever been given.
 - a. The Swedish RA specifically acknowledges that “due to the high market value, several attempts at transplanting this species have been conducted, with no apparent success...”
 - i. The Swedish RA specifically acknowledges that attempts to transplant lobsters to the Pacific Ocean have failed. Swedish RA at 18-22. In the Pacific in particular, 1000's of lobsters were released.
 - ii. Releases off the coast of Japan were unsuccessful. Swedish RA at 18-22.
 - iii. Releases in British Columbia eventually died out. Swedish RA at 18-22.
 - iv. The Swedish RA acknowledges that an attempt in France failed and this is an area that European lobsters are native. Swedish RA at 18-22.
 - b. The RA does not identify any instances of lobsters being found in a vast majority of European waters. Identifying only a few instances in a few countries. Swedish RA at 18-22.
 - c. There is no reason to believe that the Chinese mitten crab can be related to the North American lobster. Swedish RA at 18-22.
 - d. The only instances of survival identified are of caged lobsters suggesting that ecological factors such as the habitat and numerous/unfamiliar predators may contribute to the lack of establishment. Swedish RA at 18-22.
 - e. Some studies suggest that the variation in temperature conditions is also not appropriate for American lobsters. Steneck Whitepaper 2016,.

- 3) The Swedish RA identifies the spread of disease as one of the highest threat factors but acknowledges that no ecological impact has been seen. Swedish RA at 29.
 - a. Studies have brought into question the susceptibility of European lobsters to ESD. Whitten 2014 et al 2014; Davies 2014.
 - b. The Swedish governments own expert acknowledges that Gaffkemia has not been observed to pose a problem in the wild. Stebbing 2012 at 18.

- 4) There is no evidence of a shortage of resources or areas to inhabit. Swedish RA at 26.
 - a. There are examples of other species of lobsters co-existing peacefully. Facilitating coexistence: Dietary partitioning between two sympatric spiny lobsters in a Caribbean coral reef system. Segura-Garcia 2014.
 - b. Studies have concluded that European and American lobsters are not necessarily comparable with each other and that Juvenile European lobsters inhabit different environments than Juvenile American lobsters. Mercer 2001 at 9.
 - i. Mercer also mentions that European lobsters have to deal with many more predators than American lobsters and that the juveniles prefer water with lower salinity levels than other crustaceans (perhaps as a defense from increased predation). Mercer 2001 at 2, 6-7.
 - c. Some studies specifically acknowledge that in European populations “it is unknown whether recruitment is density-dependant and, therefore, limited by habitat-specific carrying capacities (as it is in *H. americanus*).” Mercer 2001 at 11.

- 5) The likelihood of Hybridization is likely overstated and population development may be difficult.
 - a. There is evidence that European lobsters prefer to mate with the same species of and act aggressively towards American Lobsters. This means the potential for growth of the American lobster species in European waters has serious barriers to overcome (the lack of a mate) and that the potential for hybridization may be overstated. Van der Meeren et al., 2008.

Seafish Science Advisory Group on the Risk Assessment of American lobster

prepared by the Swedish Agency for Marine and Water Management.

American Lobster Trade Policy Proposal (Timeline):

- June 21-22 is the date where the EC's scientific forum and scientific committee on IAS are meeting to decide which species would potentially be included on the EU list of IAS. Our hope is that, following our scientific review challenging the Swedish risk assessment, the EC decides that there is no sufficient scientific ground that would justify the listing of *Homarus americanus*. If the EC decides to go ahead with the listing of *Homarus americanus*, it will have to draft an implementing Regulation.
- This implementing Regulation will be presented to the WTO SPS committee between July and September.
- We will have opportunity to object within 60 days of the WTO notification.
- After this 60 days comments period, the EC will take all objections into consideration and will present its final assessment to the Committee on Invasive Alien Species for a vote. The listing decision must be voted at the qualified majority of the Member States. This vote could take place before the end of the year (November-December). This vote will also take the (trade/economical/social) risks and the (biodiversity) benefits of a potential ban into account.
- If the vote passes, the implementing Regulation will have to be published in the EU Official Journal (January-February 2017) and will enter into force most probably 20 days after publication.

Maine's Economic Stake in the Trans-Pacific Partnership: Outline

Margaret Chase Smith Policy Center

June 21, 2016

Section I: A Guide to the Economics of Free-Trade Agreements

1. What is free trade?
2. What are the alternatives to free trade?
3. A brief history of economic thought on international trade
4. A brief history of U.S. trade policy
5. Today's global economy: transportation, the internet, international economic development
6. The impact of trade on U.S. consumers
7. The impact of trade on U.S. workers: import-competing versus non-import-competing, exporting versus non-exporting, high-skilled versus low-skilled, regional variations, Trade Adjustment Assistance
8. The U.S. trade deficit
9. The impact of trade on international labor standards
10. The impact of trade on the environment

Section II: Maine's Economy Post-NAFTA

1. About NAFTA
2. Maine's economy since NAFTA: output, employment, wages, incomes, population
3. Variations by county and labor-market area
4. The decline of manufacturing
5. The role of trade: exports, imports, trade-induced layoffs, foreign investment

Section III: About the Trans-Pacific Partnership

1. Major components of the TPP: tariff reductions, environmental regulations, labor standards, intellectual property rights, dispute resolution (ISDS), government procurement, and state-owned enterprises
2. Comparison with NAFTA

Section IV: The TPP's Estimated Impact on Maine

1. Potential impacts on consumers and producers based on economic theory
2. Potential impacts on select industries: agriculture, fishing, footwear, and prescription drugs
3. Review of published estimates of the TPP's impact on the U.S. economy
4. Methodology for estimating the TPP's impact on Maine
5. Estimates of the TPP's impact on Maine

Section V: Frequently Asked Questions

[To be determine with input from CTPC]

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Article notes

Citizen Trade Policy Commission

Articles from May and June and earlier in 2016

Business Growth Foundation calls for a freeze on TTIP negotiations in light of newly commissioned YouGov research highlighting SME concerns; (Business Growth Foundation, 1/1/16) – This article reports on the recent survey results conducted with British Small-Medium Enterprises (SME) regarding their attitudes towards the TTIP:

- Only 14% feel the TTIP (and similar deals) will benefit their own SME.
- Only 25% of SMEs believe the TTIP will benefit UK SMEs generally.
- Almost half of SMEs feel the TTIP and similar deals will benefit larger (non SME) companies.
- Nearly 2/3rds of SMEs felt they were not informed about international trade deals including TTIP.
- 51% said they wanted more information from UK Government and political figures about TTIP and similar trade deals.
- Over half of respondents felt that the interests of UK SMEs were not sufficiently considered when international trade deals that affect them are agreed.

EU TTIP Stocktaking in September to Determine if End Phase Kicks Off; (Daily News 5/24/16)- This article reports that the European Commission plans to meet in late September to determine whether TTIP negotiations have proceeded to a point which would justify moving towards a final deal with the US.

The Trans-Pacific Shell Game; (Global Development and Environment Institute at Tufts University, 6/1/16)- This article maintains that benefits from the TPP will accrue primarily to large corporations and not to ordinary citizens. The article criticizes a recent study from the Peterson Institute of International Economics which touts the economic benefits of the TPP by alleging that the study's results are predicated on faulty assumptions regarding GDP.

Stabenow Says Getting TPP Right Trumps Obama Legacy, McConnell Cool to Lame-Duck Vote; (Daily News, 6/3/16)- This news article reports that US Senator Debbie Stabenow (D, MI) is currently opposed to the TPP because of its failure to adequately address the issue of currency manipulation, particularly with regards to artificially low prices for imported Japanese motor vehicles. In addition, the article reports that Senate Majority Leader Mitch McConnell (R, KY) favors passage of the TPP but believes that the best timing for TPP approval would be a vote in a future session of Congress, thereby avoiding near certain defeat in a lame-duck session of the current Congress.

USITC Report on the TPP's Economic Effects Projects Significant Losses; (Citizen.org, 5/23/16) – This article refers to recent data released from the US International Trade Commission which shows that the TPP would result in:

- A \$23.8 billion loss in the US manufacturing trade balance is estimated to be 5 times higher than projected gains in certain agricultural prices; and
- The predicted relatively small gains in US economic growth by 2032 means that the US economy would hardly be affected by the TPP.

TPP mired as Congress returns; (Politico, 6/6/16) – This article further reports on the current status of the TPP in Congress by concluding that there is no indication that Congress plans to take up the TPP for a vote anytime this summer. In addition, the article reports that the Obama administration has yet to submit to Congress a required draft statement on how the TPP is to be implemented.

U.S. House shoots down move to strip athletic shoe funding from defense budget; (Kennebec Journal, 6/16/16)- This news article reports that the House of Representatives has defeated an amendment to the defense budget which would have removed a requirement that the Department of Defense would be required to purchase US manufactured athletic footwear for members of the armed forces. This development is considered to be favorable by New Balance which manufactures footwear in 3 Maine factories. The effort to retain the requirement was led by Representative Bruce Poliquin and other members of the Maine congressional delegation.

Occupied Territory; (The New Yorker, 6/20/16) – This document consists of a brief quotation from US Senator Susan Collins (R, ME) indicating her current views on how free trade agreements appear to be regarded by many Maine citizens.

<http://thebusinessgrowthfoundation.co.uk/bgf-opinion/ttip-facts>
<http://thebusinessgrowthfoundation.co.uk/bgf-opinion/business-growth-foundation-calls-freeze-ttip-negotiations-light-newly-commissioned-yougov-research-highlighting-sme-concerns/>

Business Growth Foundation calls for a freeze on TTIP negotiations in light of newly commissioned YouGov research highlighting SME concerns

Ninder Johal, new Chair of the Business Growth Foundation (BGF), has today released research findings that highlight the dire need for meaningful engagement with UK SMEs on the subject of international trade deals.

Today, The Business Growth Foundation (BGF) has published the results of its recently commissioned¹ YouGov research², which surveyed more than 1,000 UK SMEs and their views on international trade. The findings reveal profound concerns amongst SMEs about the potential impacts of the Transatlantic Trade and Investment Partnership (TTIP).

Iain Hasdell, Chief Executive of the BGF said:

“Our research shows only 14% of SMEs can see any benefit of the TTIP to their business. It also shows how concerned SMEs are about the detailed implications of the TTIP. Almost half feel it is being framed to help large, non-SME companies.

“These findings are a stark reality check to pro TTIP politicians and business membership organisations. This new trade deal with the US is not by definition good for UK SMEs but it can be if the terms are right and if it gains the endorsement of SMEs. Our research illustrates how very far away from that we are right now. That is why we are calling for a pause in the TTIP negotiations and a major re-think on the UK’s approach.”

The findings in summary:

- Only 14% feel the TTIP (and similar deals) will benefit their own SME.
- Only 25% of SMEs believe the TTIP will benefit UK SMEs generally.
- Almost half of SMEs feel the TTIP and similar deals will benefit larger (non SME) companies.
- Nearly 2/3rds of SMEs felt they were not informed about international trade deals including TTIP.
- 51% said they wanted more information from UK Government and political figures about TTIP and similar trade deals.
- Over half of respondents felt that the interests of UK SMEs were not sufficiently considered when international trade deals that affect them are agreed.

The Foundation is calling on the government to urgently commission a full, independent impact assessment of the TTIP proposals on UK SMEs sector by sector, so all the costs and benefits can be properly considered. It is also advocating a comprehensive Government backed debate directly with UK SMEs about every detailed implication of the TTIP proposals.

It is calling for the outcomes of debates with SMEs and the key findings of the impact assessment to be taken by the UK into the negotiations about the deal.

Leading UK businessman and Chair of the Business Growth Foundation, Ninder Johal is clear about the disconnect between SMEs and the bodies that represent them, and what needs to be achieved:

“Our findings follow on from the European Commission’s own, paid consultants who, when looking at the TTIP in detail, said it was not good for SMEs and showed³ that most sectors that benefit are not ones that SMEs are active in.”

“Any deal that does not benefit a business sector, which is so fundamental to the UK economy is the wrong deal. Our role as a foundation is to give a voice to SMEs, and to bring about real change for the sector. Calling for an immediate freeze and renegotiation of TTIP is just the start, we want to work with the sector and its affiliated organisations to bridge this fundamental gap in knowledge and engagement.”

“We understand that the SME sector is complex and disparate and we’re not saying we have all of the answers, we simply wished to effectively highlight where the challenges are and to clearly state that there is an issue. The overall goal of any initiative such as this should be to create wealth and strengthen the economy and to achieve this, UK SMEs must have a seat at the table.”

¹ The survey benefited from funding from the Schopflin Stiftung, Germany. The Schopflin Stiftung encourages public debate across Europe over the chances and risk of international trade agreements, particularly as they relate to SMEs.

² All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1014 SME Senior Decision Makers. Fieldwork was undertaken throughout May 2016. The survey was carried out online. The figures have been weighted and are representative of SME business sizes.

³ <http://www.trade-sia.com/ttip/wp-content/uploads/sites/6/2014/02/TSIA-TTIP-draft-Interim-Technical-Report.pdf>

EU TTIP Stocktaking In September To Determine If End Phase Kicks Off

May 24, 2016

The European Commission will hold a detailed stocktaking with member state trade ministers in September to determine if enough progress has been made in the Transatlantic Trade and Investment Partnership negotiations to proceed to a final deal with the Obama administration, according to informed sources.

This stocktaking, which is scheduled for Sept. 22-23 in the Slovak capital, is the informal trade ministerial customarily held at the beginning of a new presidency of the Council. Slovakia will take over the rotating council presidency on Aug. 1.

The meeting is to cover technical issues as well as negotiating strategies and will be based on a detailed analysis prepared by experts from member states capitals in a Sept. 16 meeting. The September stocktaking infuses the upcoming July negotiating round with particular importance.

The ministerial is a way of assessing "where we are and what we can do" in the TTIP negotiations, one informed source said. September is the "last political opportunity" to decide on a push for a final deal before President Obama leaves office.

Given the vast differences that remain in the third year of the negotiations, sources said it is unlikely that there can be a deal with the Obama administration. "It just feels like they're pulling teeth," one source said. "They are at a stage where everything is difficult and things are just not moving."

But at this point, there is no common position among member state or commission officials on what action the EU will take if, in September, it finds that too few of its priorities are addressed in the TTIP negotiations, sources said.

Even if there were a consensus that not enough is on the table to make a push for a final deal, it is unlikely the commission would call for a freeze in the negotiations, as some have speculated it may, several sources close to the negotiations said.

One informed source said that even if ministers decide not to begin the final phase of the negotiations, there would be no formal decision to pause the negotiations. Instead, he and other sources said the negotiations would likely focus on less sensitive technical aspects as the U.S. moved toward November elections, which one source said would take the wind out of TTIP's sails.

As of the 13th negotiating round in April, work on the European Union's priorities on services and financial services regulatory cooperation, government procurement, and increased protection for food with geographic names falls far short of stated commission goals, according to a May 24 commission report on that meeting. It says "a lot of work remains to be done" for services and government procurement to reach the level of progress that has been made on tariffs.

On financial services cooperation in TTIP, the two sides "confirmed their respective positions," according to the commission's report, which does not point out that they are diametrically opposed.

U.S. priorities with respect to agriculture and sanitary and phytosanitary (SPS) measures, as well as instituting notice and comment periods for legislating akin to its own requirements also remain largely unaddressed, according to the May 24 commission report. One informed source said the commission has made clear that the notice and comment requirement, which critics charge would put business stakeholders on the same level as member state governments, is a red line that it will not cross. The EU's proposal on regulatory cooperation tabled in February included notice and comment provisions, but ultimately fell short of U.S. demands.

On agriculture, the two sides have made "good progress" on the least controversial provisions, such as cooperation and setting up a committee on agriculture and spirits, according to the May 24 commission report. "The Parties maintained their diverging positions regarding other aspects of the chapter," the report says. The U.S. has also publicly attacked the EU over its unwillingness to ultimately phase out its tariffs on its most sensitive agriculture items, such as beef and pork.

In the SPS area, the EU has rejected the U.S. proposal for speeding up the approval of products made with new agricultural technologies, according to the May 24 report. The U.S. proposal is worded so broadly that it covers genetically modified organisms, cloned products and products derived from a new gene editing technology called CRISPR.

The May 24 report also shows a division over an EU proposal in the SPS chapter aimed at curbing antimicrobial resistance (AMR). The U.S. at the round gave a "technical presentation" on the domestic and international measures it is undertaking to curb AMR while the EU stressed the importance of joint efforts to fight AMR on all levels in all forums, including in TTIP.

Also on SPS, the two sides are at odds on whether to include animal welfare measures in the TTIP, which the EU is seeking. The two sides held the first detailed discussions of this issue at the 13th round of negotiations.

There is also little indication that the U.S. is prepared to budge on other EU priority issues. On procurement, the U.S. has made clear that it does not intend to present an improved offer prior to the September stocktaking.

There is also no progress with respect to geographical indications even as the commission offered a scaled back list of names it seeks to protect at the 13th round. The May 24 report said that the EU highlighted to the U.S. that GIs are

a key priority in TTIP and that it is ready to pursue "better protection for a selected list of EU GIs with pragmatism and tabling creative ideas."

The U.S. is also reluctant to make any concessions on maritime services, which is linked to the Jones Act. Several EU sources said there is room for the U.S. to address EU priorities on maritime shipping without rolling back the Jones Act, such as allowing EU access to the U.S. dredging and specialty ship markets.

The technical work that could take place after September could focus on regulatory cooperation in nine sectors, specifically in the pharmaceutical and auto sectors.

For instance, the Food and Drug Administration is already scheduled to audit EU inspections of good manufacturing practices for pharmaceuticals through 2017. The FDA has not yet committed to including the potential mutual recognition of good manufacturing practices in TTIP, but leaked state of play document from March says that once the FDA gets reports for audited countries, it will begin its own process of assessment with the aim of including member states "progressively on a rolling basis."

EU and U.S. auto regulators have also expanded the list of regulations that are under consideration for mutual recognition or harmonization, but the list is not finalized, sources said.

The stated goal for the July round is for the U.S. and EU to have tabled texts for regulatory cooperation in nine sectors and to continue working through technical issues such as consolidating text. The U.S. tabled texts on pharmaceuticals, medical devices and cosmetics at the July round. The EU has tabled and published on its website a text for an annex on medicinal products, which goes beyond mutual recognition of good manufacturing practices.

The negotiations on tariffs are as advanced as they can be at this stage and are awaiting movement in other areas.

For instance, the EU has linked the reduction of its auto tariff to the outcome of the regulatory cooperation negotiations on autos. The EU has placed auto tariffs in the so-called "T box," which is a category for tariffs to be phased out over a yet undetermined period of time. The U.S. and EU have each reserved 2 percent of tariff lines in the T box and those tariffs were not discussed at the April TTIP round, sources said,

At the conclusion of the April round, negotiators said they pushed the number of tariffs set for immediate elimination upon entry-into-force of the agreement to nearly 90 percent from 87.5 percent. One source said they believed this change largely reflected commitments the U.S. and EU already took under the revised Information Technology Agreement that were previously slated for a three-year phaseout.

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Global Development And Environment Institute
at Tufts University

Jomo Kwame Sundaram, co-author of the GDAE working paper Trading Down: Unemployment, Inequality and Other Risks of the Trans-Pacific Partnership Agreement, authored the following opinion piece June 1, 2016, released by Project Syndicate. Jomo K.S. is on a multi-country speaking tour on the Trans-Pacific Partnership Agreement.

The Trans-Pacific Shell Game

Jomo Kwame Sundaram

Project Syndicate

June 1, 2016

ROME – The Trans-Pacific Partnership (TPP) trade agreement is being portrayed as a boon for all 12 of the countries involved. But opposition to the agreement may be the only issue that the remaining US presidential candidates can agree on, and Canada's trade minister has expressed serious reservations about it. Are the TPP's critics being unreasonable?

In a word, no. To be sure, the TPP might help the US to advance its goal of containing China's influence in the Asia-Pacific region, exemplified in US President Barack Obama's declaration that, "With TPP, China does not set the rules in that region; we do." But the economic case is not nearly as strong. In fact, though the TPP will bring some benefits, they will mainly accrue to large corporations and come at the expense of ordinary citizens. In terms of gains, one US government study on the topic projected that, by 2025, the TPP would augment its member countries' GDP growth by a meager 0.1% at most. More recently, the US International Trade Commission (ITC) estimated that, by 2032, the TPP would increase America's economic growth by 0.15% (\$42.7 billion) and boost incomes by 0.23% (\$57.3 billion).

But TPP advocates have largely ignored these results, preferring to cite two studies by the Peterson Institute of International Economics, a well-known cheerleader for economic globalization. In 2012, the PIIE claimed that the

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TPP would boost total GDP in member countries by 0.4% after ten years. In January, it declared that TPP would augment total GDP by 0.5% over the next 15 years. In a World Bank study released the same month, the authors of the PIIIE research projected a 1.1% average increase in GDP in TPP member countries by 2030.

Something is clearly amiss. A closer look reveals that these studies' findings concerning the TPP's purported benefits lack supporting economic theory, credible modeling, or empirical evidence. The only advantages presented that are consistent with mainstream research methodology are tariff-related trade benefits. But if the PIIIE authors had used conventional methods to estimate total gains from trade, such benefits would comprise a very small share of the alleged gains from the TPP. According to the PIIIE and the World Bank, about 85% of overall growth from the TPP is due to "non-trade measures" and related foreign investments.

Meanwhile, the studies ignore employment and income distribution – where some of the leading risks of trade liberalization lie. Instead, they simply assume that all countries are at full employment and have a consistent income distribution, trade balance, and fiscal position.

The ITC study, which used a slightly different model, predicts an increase in the trade deficit that would destroy 129,484 American jobs (Yet, inexplicably, it estimates that the TPP would raise employment by 128,000 jobs). It also projects a net increase in exports of \$25.2 billion in 2032 (in 2032 US dollars), a small fraction of the PIIIE's projection of \$357 billion in 2030 (in 2015 dollars).

For our study, my colleagues and I used the PIIIE's own 2012 estimates of trade-related gains, despite our reservations, along with more realistic economic specifications, including for income distribution and employment. We projected downward wage pressure, which, by depressing domestic demand, would lead to lower employment and higher inequality in all country groupings. Projected job losses would total some 771,000 across the TPP countries, including 448,000 in the US alone. These losses would offset any growth benefits, with the US and Japan suffering small net income losses (-0.5% and -0.1%, respectively).

Even if the TPP is found to conflict with the national or public interest, participating countries are obliged to follow its provisions. Powerful lobbies, mainly from the US, made sure of that. And, unfortunately, that is not all they did.

Despite being portrayed as a trade deal, the TPP is not even really about trade. Many TPP countries are already among the world's most open economies, with most merchandise trade among them having already been liberalized by earlier agreements and unilateral initiatives. The main remaining trade constraints involve non-tariff barriers, such as US agricultural subsidies, which the TPP does not address.

Instead, the TPP's most important provisions strengthen, broaden, and extend intellectual property rights. That will give pharmaceutical companies much longer monopolies on patented medicines and keep cheaper options – both generics and alternatives that are deemed too similar – off the market, hurting both consumers and governments that provide subsidies.

Moreover, the TPP weakens national regulation, such as over financial services, and strengthens the rights of foreign investors, at the expense of local businesses and the public interest. Investor-state dispute settlement (ISDS) provisions allow foreign investors to pursue binding private arbitration against governments if new regulations reduce their expected future profits.

Governments that lose those lawsuits will be obliged to compensate foreign investors; but even those that win will incur high legal costs. In fact, potential ISDS compensation payments or settlements alone could far outweigh the TPP's limited economic benefits. Fear of incurring such high costs are likely to weaken governments' incentives to implement regulations that hurt foreign corporate interests, even if they serve the public good.

Finally, though the TPP's biggest impact will lie outside the trade realm, the agreement has been used to undermine multilateral trade-liberalization efforts. The most obvious victim has been the World Trade Organization's ongoing Doha Development Round negotiations, but Asia-Pacific Economic Cooperation and the ASEAN Economic Community will also suffer.

The TPP's advocates have, for years, been grossly exaggerating the deal's projected benefits, while downplaying its potentially high risks and costs, most of which will be incurred by ordinary citizens. The reality is that the TPP will have a barely perceptible impact on GDP, benefit large corporations almost exclusively, and significantly

constrain the policy space governments need to accelerate economic development and protect the public interest. Some partnership that is.

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Daily News

Stabenow Says Getting TPP Right Trumps Obama Legacy, McConnell Cool To Lame-Duck Vote

June 03, 2016

Sen. Debbie Stabenow (D-MI) this week made clear that it is more important to her to ensure the Trans-Pacific Partnership will deliver benefits to the U.S. middle class and improve U.S. wages than to pass it this year as negotiated because it is a priority for President Obama.

"I do know it is a priority for the president, but again for me this is about the global economy," she said in a June 2 interview with a Michigan television station. "Are we creating a race up, lifting wages, protecting our air and water, making sure that we are protecting the middle class?" She noted that TPP is a trade agreement that covers about 40 percent of the economies of the world, "so it's really important that it be done right" for American business, workers and farmers. In light of the size of the deal taking a stand on it is a "very big decision."

Stabenow said that she cannot see herself supporting the TPP as written because it fails to tackle currency manipulation, which she said was "one of the biggest issues that we've heard from the auto industry." She said that Ford Motor Company has been out front about the failure to include currency manipulation disciplines in TPP, which she said was a way Japan kept the price of its cars artificially low.

She said this is a big issue not only about getting U.S. cars into Japan, but also about competing with Japan in third country markets, including India and Brazil.

Ford has expressed opposition to TPP over the absence of enforceable currency disciplines, since a currency pledge by TPP nations that was negotiated in parallel is non-binding.

Stabenow hinted that TPP would need to be improved from its current version when she mentioned that the U.S.-Korea free trade agreement as negotiated by President George W. Bush was met with "great concerns" from the auto industry but that those concerns were then addressed by President Obama in a renegotiation. She said critics of the original U.S.-Korea FTA had raised a number of issues and once they were addressed there was support for the agreement. The renegotiation largely focused on altering the tariff phaseouts for cars and trucks.

She signaled that the only time TPP could come up for a vote this year is the lame-duck session. "I do think that's when it would pass if it were to pass," she said. The administration is focused on a lame-duck vote and is continuing its campaign to get business to do more lobbying, including measures to shore up support for TPP around the country, sources said.

The push for the vote is also evident in having come up with a financial services data fix for a problem the industry flagged in TPP.

Given that a lame-duck vote is a goal, sources said that the administration must be working on the implementing bill and the accompanying Statement Of Administration Action. However, administration officials in both public and closed-door sessions have sidestepped any questions on whether they are working on the implementation bill.

Beyond that, there is disagreement on when Congress would need to begin the process for preparing the vote. For example, two senior Democratic aides said that it is impossible to cram the process solely in the lame-duck and that therefore, the process has to begin before the election.

They said the first indication of whether there is a lame-duck vote would be a hearing on TPP scheduled for September and potentially the mock markups of the draft implementing bill which is traditionally done by the trade committees before the President formally submits the legislation to the Congress. That formal submission triggers the fast-track deadline.

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On the opposite side is the assessment by a senior House aide that it would be almost impossible for the trade committees to take action on the controversial TPP so close to the elections. He argued there would be simply too much pressure on congressional Democrats and Republicans alike to support the presidential candidates who are opposing TPP.

But the House aide said not starting the TPP process before the election does not preclude having the TPP vote in the lame-duck, sources said.

Regarding a lame-duck vote for TPP, Senate Majority Leader Mitch McConnell (R-KY) expressed skepticism in a June 1 interview on Public Television's Charlie Rose show, given the anti-trade stance of the leading presidential candidates.

"It needs to pass, and the question is can you pass it," he said. "I do not think it would do the [TPP] much good to be brought up and defeated." He said the "worst thing" that could happen would be if the agreement were voted down.

McConnell sidestepped Charlie Rose's questions on whether he would bring up the agreement in the lame-duck. "If it is defeated, it is a big step back for international trade," he said. "If it is not done before the president leaves office, it is still there."

McConnell explained that the fast-track, which lasts six years and now covers the agreement, means it can be brought up under privileged procedures even after Obama leaves office. His tone in the June 1 interview was somewhat softer than his May 1 interview with the agriculture news service AgriPulse, where he said it looks bleak for a TPP vote and that the political climate is the worst since he has been in the Senate (Inside U.S. Trade, May 5).

In a related development, the American Automotive Policy Council (AAPC) highlighted currency manipulation by TPP trading partners as a problem in a May 26 statement but remained silent on whether this was a reason to oppose the TPP or not.

"American automakers remain concerned about possible currency manipulation by TPP trade partners, including Japan," AAPC President Matt Blunt said in a May 26 statement on the International Trade Commission report on TPP. "AAPC, as well as economists from across the ideological spectrum, agree that the U.S. government should include enforceable rules prohibiting currency manipulation in its trade agreements to produce a positive economic impact on American manufacturing."

His other comments are strictly focused on the ITC report assessing the economic impact of the TPP without ever saying where the AAPC stands on the agreement. "One of the requisite steps before trade agreements can be considered by Congress is a thorough review by the ITC on their economic impact," he said. "We hope that Congress will carefully review this report, specifically how the ITC has measured the impact of the proposed Trans-Pacific Partnership on the U.S. auto industry and American manufacturing."

AAPC in Washington represents the "the common public policy interests of its member companies FCA US, Ford Motor Company and General Motors Company," the announcement said.

USITC Report on the TPP's Economic Effects Projects Significant Losses

USITC Projects Worsening Trade Balance in 30 of 55 U.S. Economic Sectors if TPP Were Implemented			
Industry Categories	Industry Sectors	Losing Sectors	Percent of Sectors with Larger Deficits
Natural Resources	3	3	100%
Manufacturing	17	16	94%
Energy	5	3	60%
Services	9	5	56%
Agriculture and Food	21	9	43%

U.S. manufacturing, services, energy and natural resources sectors would all suffer declining trade balances under the TPP. The \$23.8 billion loss in manufacturing would be more than five times the projected gains in agriculture and wheat, soy, corn and rice would see declining trade balances. As for the upside: the report projected tiny U.S. economic growth gains (42.7 billion or 0.15 percent) and income gains (\$57.3 billion or 0.23 percent) by 2032. In other words, the ITC projects that the United States would be as wealthy on January 1, 2032 with TPP as it would be on February 15, 2032 without it.

USITC Report by Industry Sector (estimated changes in millions of USD)		Exports to World	Imports from World	Trade Balance
Manufacturing	Chemicals	1,944.10	5,283.40	3,339.30
	Textiles	256.6	869.4	612.8
	Wearing apparel	10.3	1,891.30	1,881.00
	Leather products	59.5	439.2	379.7
	Footwear	137.7	1,103.60	965.9
	Wood products	135.4	2,204.90	2,069.50
	Paper products, publishing	39.7	722.2	682.5
	Petroleum, coal products	1,023.80	518.8	505
	Machinery and equipment	1,510.70	3,914.40	2,403.70
	metals and metal products n.e.c.	1,159.10	3,191.60	2,032.50
	Titanium downstream products	33.9	115.4	149.3
	Passenger vehicles	1,953.90	2,371.70	417.8
	Auto parts and trailers	1,219.80	3,039.20	1,819.40
	Other transportation equipment	2,074.10	3,016.80	942.7
	Electronic equipment	622.4	5,323.00	4,700.60
	Instruments and medical devices	169.7	1,044.60	874.9
	Toys, sporting goods, other manu	149.3	1,282.10	1,132.80
	Sub-Total	12,432.2	36,331.6	23,899.4
	Services	Construction	186.4	161.4
Wholesale and retail trade		848.7	542.4	306.3
Transp, logistics, travel and tourism		1,258.40	1,770.50	3,028.90
Communications		877.7	306.4	571.3
Financial services n.e.c.		12.1	787.8	799.9
Insurance		34.4	703.5	669.1
Business services n.e.c.		4,575.50	2,031.50	2,544.00
Recreational and other services		687.8	199.3	887.1
Public admin, defense, edu, health		605.8	459.6	146.2
Sub-Total	4,797.4	6,962.4	2,165.0	

Natural Resources	Minerals and minerals products n.e.c	441.7	509.3	67.6
	Forestry	305.3	1.6	303.7
	Water	2.5	9.4	11.9
	Sub-Total	133.9	517.1	383.2
Energy	Gas manufacture, distribution	0.0	0.0	0
	Coal	126.9	13.5	140.4
	Oil	1,338.1	884.1	454
	Gas	1,384.0	1,415.4	31.4
	Electricity	26.1	83.9	57.8
	Sub-Total	2,621.3	2,396.9	224.4
Agriculture and Food Sector	Rice	12.5	15.3	27.8
	Wheat	1.5	18.2	19.7
	Other grains	5.5	16.5	22
	Corn grain	31.3	2.5	33.8
	Fresh fruit, vegetables, and nuts	574.9	119.2	455.7
	Soybeans	419.4	26.6	446
	Other oil seeds	1.6	40.8	42.4
	All other agriculture	637.9	503.8	134.1
	Cattle, sheep, goats, and horses	3.0	60.8	63.8
	Hides and skins	115.1	35.3	79.8
	Seafood	74.1	231.9	157.8
	Beef meat	876.1	419	457.1
	Other meats	690.5	41.2	649.3
	Pork meat products	219.3	94.4	124.9
	Poultry meat prods	173.9	16.6	190.5
	Soybean oil	27.7	2.8	24.9
	Soybean meal	113.4	8.1	105.3
	Dairy products	1,845.5	348.6	1,496.90
	Sugar, sweeteners, and SCP	129.6	132.1	2.5
	Processed foods	1,540.0	427.2	1,112.80
	Beverages and tobacco products	683.9	206.2	477.7
Sub-Total	7,227.1	2,733.9	4,493.2	

Source: U.S. International Trade Commission, "Trans-Pacific Partnership Agreement: Likely Impact on the U.S. Economy and on Specific Industry Sectors," May 2016, pages 775-780.

*Red signifies losing sectors and negative numbers. ie. If the export number is red, that means that the USITC projects a drop in U.S. exports for the indicated sum. If an import number is red, that means that the USITC projects a drop in imports into the United States for the indicated sum. If a trade deficit number is red, that means that the USITC projects a net decline in the trade balance for that sector for the indicated amount.

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TPP mired as Congress returns

By Doug Palmer

06/06/16 10:00 AM EDT

With help from Victoria Guida and Willem Vancutsem

TPP MIRED AS CONGRESS RETURNS: It could be a long, sleepy summer for the Trans-Pacific Partnership one year after Congress nearly ripped itself apart to give President Barack Obama “fast track” authority to finish the landmark Asia-Pacific deal. The administration is trying to sell Congress and the American public on the economic and geostrategic benefits of TPP. But both Senate Majority Leader Mitch McConnell and House Speaker Paul Ryan are keeping their distance, while Donald Trump is promising to walk away from the 12-nation pact. Lawmakers return this week from their Memorial Day break with no indication that either House Ways and Means Committee Chairman Kevin Brady or Senate Finance Committee Chairman Orrin Hatch will take any action on the agreement before Congress leaves town in mid-July for a prolonged summer break because of the party nominating conventions.

For its part, the Obama administration still hasn't given Congress a draft statement of how it plans to implement the agreement, something it's required to do 30 days before submitting the pact for a vote. The Office of the U.S. Trade Representative says it's working on a handful of issues that have jeopardized support for the trade deal, but there's no sign of progress on Hatch's main concern that TPP doesn't provide 12 years of data protection for biologics medicine. “The longer it takes for outstanding TPP issues to be addressed, the less likely it is that TPP will be voted on during the Obama administration,” one industry official said. And one Senate Democratic aide similarly noted that it isn't clear whether there's enough time in a lame-duck session of Congress to do hearings, the “mock markup,” and the vote. “Working backwards, that means key issues need to be resolved by August to hold hearings by September,” the aide said.

<http://www.centralmaine.com/2016/06/16/move-that-would-have-stripped-the-defense-shoe-provision-defeated/>

U.S. House shoots down move to strip athletic shoe funding from defense budget

The Sanford Amendment would have removed the requirement that the military buy U.S.-made athletic shoes, which would have been a blow to New Balance.

By Staff Report

An amendment that would have stripped language that requires the military to buy U.S.-made athletic shoes from the Department of Defense budget was defeated Thursday in the U.S. House of Representatives.

The amendment, proposed by Rep. Mark Sanford, R-S.C., would have withheld the money to make the requirement work from the National Defense Authorization Act of 2017. It failed, 155-265.

U.S. Rep. Bruce Poliquin, R-2nd District, holds aloft a New Balance sneaker in March at the Maine Republican convention. Poliquin pushed the House to defeat an amendment that would have defunded a provision that the Department of Defense buy U.S.-made shoes Thursday. Portland Press Herald file photo by Ben McCanna

Poliquin, as well as Rep. Niki Tsongas, a Massachusetts Democrat, had pushed for language in the defense budget that requires the military to issue recruits U.S.-made running shoes rather than give them vouchers to buy their own shoes. The 1941 Berry Amendment requires the military buy U.S.-made apparel for recruits, but the athletic shoe loophole allowed the vouchers because the military argued that no U.S.-made shoes conformed to the requirements of the amendment or the needs of troops. Poliquin and Tsongas' language to require the military to buy Berry-conforming shoes was included in both the House and Senate defense bills and passed in both chambers with broad bipartisan support.

The requirement is a boost to Boston-based New Balance shoes, which manufactures shoes at five factories, including three in Maine, in Skowhegan, Norridgewock and Norway. All three factories are in Poliquin's district.

Poliquin, who wore his own American-made New Balance shoes onto the House Floor, according to the news release, said, "This is a milestone victory in the fight for 900 hardworking Mainers in Norway, Skowhegan and Norridgewock."

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“I thank all of my colleagues in the House for voting for American jobs and American workers, despite pressure from powerful special interest groups. This critical language will make sure that our U.S. taxpayer dollars go to U.S. workers and families, not to manufacturers overseas. I will continue to fight tooth and nail through every process until this critical language is signed into law.”

Sanford had argued that the requirement cost the military money because of injuries to military recruits who wear shoes that aren't adequate for their needs.

New Balance applauded the defeat of the amendment Thursday.

“At New Balance we believe making things in the U.S. matters,” said Matt LeBretton, vice president of public affairs for New Balance. “We are overjoyed that the Congress, with Congressman Poliquin leading the way in the House, agrees. Today is a big day for manufacturing in Maine and throughout the country.”

He said the firm applauds Poliquin “for his doggedness in making sure that American soldiers will train in gear made in America. The efforts of Bruce Poliquin, and the entire Maine delegation, cannot be overstated. These efforts directly translate into more jobs for Maine and beyond.”

<http://www.newyorker.com/magazine/2016/06/20/inside-the-gop-trump-dilemma>

The New Yorker

*THE POLITICAL SCENE
JUNE 20, 2016 ISSUE*

OCCUPIED TERRITORY

By Ryan Lizza

Excerpted quotation from U.S. Senator Susan Collins (R; ME):

Maine's paper mills have been closing in the past few years, and she has become more skeptical about free trade than she [Senator Collins] used to be. "There's a feeling that's very strong in my state," she said, that trade deals have benefitted large corporations and hurt working people. "I understand completely why that resonates." Republicans argue that free trade lowers consumer prices. "Well, if you no longer have a job, lower consumer prices don't really do you a whole lot of good. You'd rather have the job."

Inside US Trade June 20,2016

Administration Drafts TPP Implementing Bill In Preparation Of Potential Lame-Duck Vote

U.S. Trade Representative Michael Froman today (June 20) said the Obama administration is drafting the implementing bill and other reports required for a potential lame-duck vote on the Trans-Pacific Partnership under the fast-track law. He said the lame duck represents the earliest window of opportunity given Senate Majority Leader Mitch McConnell's (R-KY) opposition of a vote before the election.

“We're working with congressional leaders and with the leaders of the Finance Committee and the Ways & Means Committee to chart that pathway forward, laying the groundwork, doing the preparatory work, drafting the bills, drafting the reports that need to get done so that when that window of opportunity opens, we'll be ready to walk through it,” he said. “That's what the work over the next few months is going to take.”

According to the fast-track law, the president [must submit to Congress](#) a copy of the final legal text of the agreement; a draft statement of administrative action (SAA) proposed to implement the agreement; and a plan for implementing and enforcing the agreement thirty days prior to formal submission of the draft TPP implementing bill to Congress.

At the same time, he must also submit to the House Ways & Means and Senate Finance committees three reports that spell out how the deal will impact U.S. employment, labor rights in the U.S. and FTA partners, and the environment. USTR has said earlier this year that these reports will promptly be made available to the public "to the maximum extent possible."

On the timing of the vote, McConnell “has made clear publicly that he doesn't want to see a vote before the election, so that really means, from the Senate perspective anyway, in the lame-duck period,” Froman said. “But to even do this in the lame duck, you want to do as much of the preparatory work as possible under Trade Promotion Authority beforehand, and that's what we're working on now.”

Froman spoke to the Council on Foreign Relations in New York City about the future of the TPP and the importance of U.S. engagement in defining trade rules in the Asia-Pacific region. He is the first administration official to acknowledge that the administration is working on the implementing bill, when other officials both publicly and behind closed doors have sidestepped this issue.

Froman highlighted that there is “a certain urgency” to get TPP done this year because the speaker of the House, the Senate majority leader and the president are all pro-trade but warned “that all could be different a year from now.”

He noted that President Obama is “fully invested” in pushing for a TPP vote this year. “We have a whole White House, whole cabinet effort underway with hundreds of events around the country by cabinet and sub-cabinet officials,” he said.

Obama's level of engagement was apparent when he reached out to Senate Finance Committee Chairman Orrin Hatch (R-UT) [last week to discuss](#) the outstanding issue of market exclusivity for biologic drugs. Hatch and Obama on June 15, however, were not able to reach an agreement on the provision that would satisfy Hatch's demands of 12 years of market exclusivity. But the exchange was proof that Obama sought to address Hatch's complaints rather than have his trade officials try to go around him.

Froman said the administration "bit by bit" has been able to address issues that were flagged by Congress after the TPP deal was concluded last year. He reiterated [his comments](#) from last week that market exclusivity for biologics is the "main outstanding issue right now."

Froman said USTR is working with Congress and stakeholders to find solutions that do not require reopening or renegotiating the agreement. Renegotiation on one issue, Froman warned, will lead to "unraveling across several other issues." But he held open the possibility of gaining additional commitments through implementation plans.

"That doesn't mean that in the process of implementation -- and we have a robust process of making sure countries are meeting their obligations, we're working with Congress on that -- that there aren't things that we can do to give reassurance that we are addressing the issues with the countries and with Congress. But I think opening up the Pandora's box of renegotiation I think will ultimately lead to it unraveling itself."

He said TPP has "broad support across the economy" and mentioned the pork and dairy industry groups, which have previously taken issue with the market access granted in TPP, are "now fully supportive." On the financial services fix, Froman said that the administration and stakeholders are "quite close to reaching a solution." The administration plans to present the legal text of the fix to cleared industry advisory groups next week.

