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STATE OF MAINE

Citizen Trade Policy Commission

Re: Japan's Expression of Interest in the Trans-Pacific Partnership Trade Negotiations

January 11, 2012

Mr. Paul Kirk, Ambassador
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Kirk,

We are writing to you in reference to the December 7, 2011 notice in the Federal Register requesting comments on Japan's Expression of Interest in the Trans-Pacific Partnership Trade Negotiations.

The Maine Citizen Trade Policy Commission is authorized by current Maine law [10MRSA§11(3)] "...to make policy recommendations designed to protect Maine's jobs, business environment and laws from any negative impact of trade agreements." In seeking to fulfill its statutory mandate, during its most recent meeting on December 15, 2011, the Commission voted unanimously to submit this letter to you stating our strong opposition to the possible inclusion of Japan, Canada, or Mexico in the proposed Trans-Pacific Partnership negotiations.

Our opposition to the proposed inclusion of these countries in the TPPA is based on a number of concerns and includes:

- The original purpose and design of the TPPA was intended as an international trade agreement among the Pacific Rim countries. Including nations such as Japan with a large international economy in a binding trade agreement represents a significant departure from the original purpose and scope of the TPPA and an ominous threat to state sovereignty and existing trade relationships between Maine and these counties;
- The possibility of adding these neighboring countries and large trade partners also amplifies a concern about the loss of transparency that often occurs in this type of international trade agreement. Since the details of the negotiating process are confidential and yet the items being negotiated are often of paramount importance from a state's perspective, the inclusion of large trading partners tends to further diminish state sovereignty over matters such as business and environmental regulation and the procurement policies of state government without any meaningful opportunity for the state to comment until after the agreement has been finalized thereby rendering any state participation as essentially meaningless and without influence;
- From a state perspective, the possible inclusion of large trading partners like Canada, Japan and Mexico in the TPPA also magnifies concerns about the dispute resolution process that typically emerges from trade agreements of this magnitude. A dispute resolution process that takes states out of the process and instead substitutes the USTR as the defender of particular state regulations and trade deals is a potentially disastrous blow to state sovereignty and the ability to develop, enforce and negotiate its trading relationships with a country such as Mexico. A dispute resolution process that takes the state out of the direct loop in determining a fair outcome and yet imposes possible consequences is inherently unfair and is

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http://www.maine.gov/legis/opla/citpol.htm

likely to be extremely detrimental to continued efforts by the state to manage its own economy, environment and overall public welfare;

- Further, the tendency of recent trade agreements to reach beyond the trade of tangible goods and intrude upon specific non-trade regulations and practices is an unwarranted intrusion upon a state's inherent ability to determine its own policies which include public health and safety, environmental and natural resource protection and allowable business practices; and
- Finally, the sum effect of all these aforementioned effects is manifested in the willingness of corporations using foreign investor rights provided by these agreements to purposefully use the provisions of a larger trade agreement like that contemplated for the TPPA to circumvent well conceived state regulations and policies to achieve their own narrow goals and objectives.

In closing, we wish to reiterate our strong opposition to the possible inclusion of including Canada, Mexico and Japan in the TPPA as an unwise and unjustified usurpation of state sovereignty in crucial matters of regulation, business practice and policy decisions regarding public health and welfare.

Thank you for the opportunity to make these comments. Please do not hesitate to contact either of us with any questions that you may have regarding the Commission' position on this issue

Sincerely,

Senator Roger E. Sherman, Chair

Representative Joyce Maker, Chair

Cc: Governor Paul R. Lepage
Senator Olympia J. Snowe
Senator Susan M. Collins
Represenative Michael H. Michaud
Representative Chellie Pingree

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