

MAINE STATE LEGISLATURE

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REP. MARK W. EVES
CHAIR

SEN. JUSTIN L. ALFOND
VICE-CHAIR

EXECUTIVE DIRECTOR
DAVID E. BOULTER



SEN. SETH A. GOODALL
SEN. MICHAEL D. THIBODEAU
SEN. TROY D. JACKSON
SEN. ROGER J. KATZ
REP. SETH A. BERRY
REP. KENNETH W. FREDETTE
REP. JEFFREY M. MCCABE
REP. ALEXANDER R. WILLETTE

126TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

126th Legislature
Legislative Council

Tuesday, January 29, 2013
1:30 P.M.

REVISED AGENDA

<u>Page</u>	<u>Item</u>	<u>Action</u>
	CALL TO ORDER	
	ROLL CALL	
1	SUMMARY OF THE DECEMBER 6, 2012 AND DECEMBER 12, 2012 MEETINGS OF THE LEGISLATIVE COUNCIL	Acceptance
	REPORTS FROM EXECUTIVE DIRECTOR AND STAFF OFFICE DIRECTORS	
11	• Executive Director's Report (Mr. Boulter)	Information
12	• Fiscal Report (Mr. Pennoyer)	Information
16	• Status of Legislative Studies (Ms. Hylan Barr)	Information
	REPORTS FROM COUNCIL COMMITTEES	
	• Personnel Committee	
	• State House Facilities Committee (No Report)	
17	• State House Broadcasting Subcommittee <ul style="list-style-type: none">○ Recommendation on Proposal by Maine Public Broadcasting Network for Pilot Television Channel Covering Maine Legislature	

OLD BUSINESS

None

NEW BUSINESS

- | | | | |
|-----------|----------|--|-------------------|
| | Item #1: | Request to Allow Filing of Bill Requests by Newly Elected Constitutional Officers and State Auditor After Bill Cloture Date (Speaker Eves) | Decision |
| 31 | Item #2: | 2013 Youth in Government Program (Request by State YMCA of Maine for Program Dates of November 15, 16 and 17, 2013) | Decision |
| 32 | Item #3: | Request to serve bagged lunch to students in the Hall of Flags on April 11, 2013 (Request by National Association of Social Workers) | Decision |
| 38 | Item #4: | Submission of the Seventh Annual Report of the Right to Know Advisory Committee (January 2013) | Acceptance |
| 42 | Item #5: | Submission of the Annual Progress Report on Public Law 2005, Chapter 2 (Governor's Office of Policy and Management) | Acceptance |
| 47 | Item #6: | Submission of the Final Report of the Task Force on Franco-Americans (December 2012) | Acceptance |
| 54 | Item #7: | Submission of 2012 Annual Report of the Midcoast Regional Redevelopment Authority | Acceptance |
| 67 | Item #8: | Submission of the Seventh Annual Report of the Citizen Trade Policy Commission (December 2012) | Acceptance |

ANNOUNCEMENTS AND REMARKS

ADJOURNMENT

REP. MARK W. EVES
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126TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

**LEGISLATIVE COUNCIL
MEETING SUMMARY
December 6, 2012**

CALL TO ORDER

Senate President Alfond called the December 6, 2012 organizational meeting of the Legislative Council to order at 3:32 p.m. in the Legislative Council Chamber.

ROLL CALL

Senators: President Alfond, Senator Goodall, Senator Jackson, Senator Thibodeau and Senator Katz

Representatives: Speaker Eves, Representative Berry, Representative McCabe, Representative Fredette and Representative Willette

Legislative Officers: David E. Boulter, Executive Director of the Legislative Council
Dawna Lopatosky, Legislative Finance Director
Debra Olken, Human Resources Director
Marion Hylan Barr, Director, Office of Policy and Legal Analysis
Grant Pennoyer, Director, Office of Fiscal and Program Review
Suzanne Gresser, Revisor of Statutes
John Barden, Director, Law and Legislative Reference Library
Scott Clark, Director, Legislative Information Technology

Senate President Alfond convened the meeting at 3:32 p.m. with a quorum of members present.

Senate President Alfond, declaring that a quorum was present and pursuant to the Rules of Procedure adopted by the 125th Legislative Council and the Joint Rules adopted by the 126th Maine Legislature, called the first meeting of the 126th Legislative Council for the purpose of electing a Chair and a Vice-chair of the Legislative Council, adoption of rules of procedures and such other matters of the Legislative Council.

The Legislative Council's Rules of Procedure prescribe the following with regard to the election of Legislative Council Officers:

Rule #2 provides that the position of Chair alternate in succeeding biennial sessions between a member from the Senate and a member from the House of Representatives. Thus, pursuant to

these Rules, the Chair for this new Legislative Council should be a Legislative Council member who serves in the House of Representatives.

Rule #3 provides that the Vice-chair not be a member of the same body of the Legislature as the Chair. Thus, the Vice-chair for the 126th Legislative Council should be a member who serves in the Maine Senate.

President Alfond stated that unless there was objection, the Legislative Council would continue its long-standing practice of conducting the vote by a showing of hands. Upon the election of a chair, the chair will preside over the remainder of this meeting.

Hearing no objection, President Alfond opened the floor for nominations for Chair of the Legislative Council.

Nomination: That House Speaker Mark Eves of North Berwick serve as Chair of the Legislative Council for the 126th Legislature. (Nominated by Representative Berry, seconded by Senator Goodall).

Senate President Alfond asked if there were further nominations. Hearing none, President Alfond closed the nominations. The vote for Legislative Council Chair was taken. House Speaker Eves was elected to serve as Chair of the Legislative Council for the 126th Legislature. Unanimous (10-0).

House Speaker Eves then presided for the remainder of the meeting. Speaker Eves proceeded to open the floor for nominations for Vice-chair of the Legislative Council.

Nomination: That Senate President Alfond of Portland serve as Vice-chair of the Legislative Council for the 126th Legislature. (Nominated by Senator Goodall, seconded by Representative Berry).

Legislative Council Chair Eves asked if there were further nominations. Hearing none, Chair Eves closed the nominations. The vote for Legislative Council Vice-chair was taken. President Alfond was elected to serve as Vice-chair of the Legislative Council for the 126th Legislature. Unanimous (10-0).

ADOPTION OF RULES OF PROCEDURE

Proposed Rules of Procedure for Legislative Council Adoption

Executive Director David Boulter briefly explained each provision of the suggested *Rules of Procedure* for the Legislative Council of the 126th Legislature, which is based on the rules for the Legislative Council of the 125th Legislature.

Legislative Council Members briefly discussed various provisions of the proposed rules.

President Alfond then made a motion (see motion below), seconded by Senator Goodall. A discussion followed on the proposed revision noted in the motion and described below:

Rule 6. Meeting Room and Location: The official meeting location of the Legislative Council is the Legislative Council Chamber, Room 334, in the State House, and the chair shall convene all meetings there unless an alternative location is specified in the call of the

meeting. The ~~Office of the Executive Director~~ Chair is responsible for use and scheduling of activities of the Legislative Council Chamber. Meetings of the Legislative Council or its committees take precedence over all other functions in the Legislative Council Chamber.

The Legislative Council Chamber may not be used for press conferences or other media events; however, the chair of the Legislative Council or the Executive Director, if delegated by the chair, may authorize an exception when the chair determines that such use is appropriate and will not interfere with legislative activities.

A Legislative Council member asked the reason why the change in room scheduling coordinator was proposed. President Alfond responded by saying this provision was changed in the rules for the 125th Legislature and this change would return it to the way it was prior to the 125th Legislature.

Several Legislative Council members noted that the Legislative Council Chamber has typically been used as the caucus room for the minority party and they felt that scheduling of that room should remain with the Executive Director's office, a nonpartisan office, and there is no compelling reason to transfer the scheduling function to the Speaker's office. Legislative Council Chair Eves stated that the preference is for the chair to schedule the room as was done in the past.

Several members felt that the change would be a symbolic one, representing a change for the minority party, and keeping the room scheduling functions with the Executive Director's office would be symbolic in working together over the next 2 years.

Legislative Council Chair Eves stated that he has no interest in controlling the Legislative Council Chamber in a way that would not allow for any party or group to use it as intended, and he gave his commitment that the room would be made available to the minority party. He noted that members have their own views and come from different perspectives. He then called for a vote on the motion.

Motion: That the Legislative Council adopt the proposed Rules of Procedure for the Legislative Council of the 126th Legislature, as amended by the noted change to Rule 6. Motion by President Alfond. Second by Senator Goodall. **Motion passed (6-4, with Senator Thibodeau, Senator Katz, Representative Fredette & Representative Willette opposed).**

[Note: A copy of the Rules of Procedure as adopted by the Legislative Council is attached.]

SUMMARY OF NOVEMBER 15, 2012 MEETING OF LEGISLATIVE COUNCIL

Motion: That the Meeting Summary of November 15, 2012 be accepted and placed on file. Motion by President Alfond. Second by Senator Goodall. **Motion passed (8-0-0-2, with Representatives Fredette and Willette absent).**

OLD BUSINESS

None

NEW BUSINESS

Item #1: Summary of Legislative Council Authority and Duties

Mr. Boulter gave an overview of the authority and duties of the Legislative Council as set forth in Maine law. No action by the Legislative Council was required.

Item #2: Establishment of Initial Salaries for Constitutional Officers and the State Auditor

One of the initial decisions required of the Legislative Council once a new Legislature is convened is the assignment of the initial salary for newly elected Constitutional Officers and a newly elected State Auditor. State law prescribes the salary grade and the initial salary step for each official. All of the Constitutional Officers and the State Auditor were newly elected at the convening of the 126th Legislature, and as such, the Legislative Council must establish their initial salaries.

See motion under New Business Item #3.

Item #3: Establishment of Initial Salaries for Clerk of the House and Secretary of the Senate

Another initial decision required of the Legislative Council once a new Legislature is convened is establishing the initial salary for a newly elected Secretary of the Senate and a newly elected Clerk of the House. State law also prescribes the salary grade and the initial salary options for each of the Legislative officials. Both the Secretary of the Senate and the Clerk of the House were newly elected at the convening of the 126th Legislature, and as such, the Legislative Council must establish their initial salaries.

Motion: That the Legislative Council table New Business Items #2 and #3 to the next meeting of the Legislative Council. Motion by Senator Alfond. Second by Representative Berry. **Motion passed unanimously (10-0).**

Item #4: Legislative Council Policy on Processing Closely-Related Legislator Bill Requests

Revisor Suzanne Gresser explained that in past sessions, the Legislative Council has established a policy whereby the Office of the Revisor of Statutes was directed to combine legislator bill requests for duplicate or closely related bills (Joint Rule 206). This provision of Joint Rule 206 has existed since the 118th Legislature.

Joint Rule 206, Section 2 provides that:

For duplicate or closely related bills or resolves, the Legislative Council may establish a policy for combination of requests and the number of cosponsors permitted on combined requests.

Before the above language was adopted by the 118th and subsequent legislatures, every bill was simply processed and printed without regard to whether it was closely related to another. Since the advent of the rule, however, each Legislative Council has used its authority to direct that the Revisor's Office in some manner combine closely related bills in order to facilitate the efficient processing of bills.

When the 124th Legislature adopted a cloture deadline of mid-January, the process was modified slightly in order to allow the printing of some bills in advance of the later cloture deadline. The Legislative Council of the 124th Legislature directed the Revisor's Office to make reasonable efforts to identify duplicate bills as the office processed them before cloture and to notify sponsors as in the past, setting up primary and "mandatory" cosponsors. The Council recognized that by printing bills prior to cloture, a number of potential duplicates would not be identified and combined; however, the Council did not want to suspend the printing of bills until after the cloture date because it would not further the Legislature's goal of expeditious processing and printing of bills.

Because the cloture deadline of the 126th Legislature is January 18, 2013, in order to facilitate the expeditious processing of bills in the same manner as was done in the first regular sessions of the 124th and 125th legislatures, Ms. Gresser recommended that the Legislative Council adopt the process that was established by the 124th and 125th legislatures.

Motion: That the Legislative Council adopt the Policy on Processing of Closely-Related Legislator Bill Requests recommended by the Revisor for the 126th Legislature. Motion by Senator Alfond. Second by Representative Berry. **Motion passed unanimously (10-0).**

Item #5: Submission of Tobacco Prevention and Control Advisory Council's Annual Report 2012

The Tobacco Prevention and Control Advisory Council submitted its Annual Report 2012 to the Legislative Council for acceptance.

Motion: That the Legislative Council accept the Annual Report 2012 from the Tobacco Prevention and Control Advisory Council and place it on file. Motion by Senator Alfond. Second by Representative McCabe. **Motion passed unanimously (10-0).**

ANNOUNCEMENTS AND REMARKS

Legislative Council Chair Eves asked for clarification of the cloture date for filing legislator bill requests for the 1st regular session. Ms. Gresser explained that when the Legislature adopted the Joint Rules of the 126th Legislature on December 5, 2012, it established January 18, 2013 as the cloture date for legislators, codified in Joint Rule 202, and no further action is required. Speaker Eves advised Legislative Council members to make note of the deadline.

Legislative Council Chair Eves advised the members that a second Legislative Council meeting in December will be scheduled soon.

With no other business to consider or further announcements, the Legislative Council meeting was adjourned at 4:23 p.m.

REP. MARK W. EVES
CHAIR

SEN. JUSTIN L. ALFOND
VICE-CHAIR

EXECUTIVE DIRECTOR
DAVID E. BOULTER



SEN. SETH A. GOODALL
SEN. MICHAEL D. THIBODEAU
SEN. TROY D. JACKSON
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126TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

**LEGISLATIVE COUNCIL
MEETING SUMMARY
December 12, 2012**

CALL TO ORDER

Legislative Council Chair Mark Eves called the December 12, 2012 Legislative Council meeting to order at 3:43 p.m. in the Legislative Council Chamber.

ROLL CALL

Senators: President Alfond, Senator Goodall, Senator Jackson, and Senator Thibodeau

Absent: Senator Katz

Representatives: Speaker Eves, Representative Berry, Representative McCabe, Representative Fredette and Representative Willette

Legislative Officers: Darek Grant, Secretary of the Senate
Millicent MacFarland, Clerk of the House
David E. Boulter, Executive Director of the Legislative Council
Dawna Lopatosky, Legislative Finance Director
Debra Olken, Human Resources Director
Marion Hylan Barr, Director, Office of Policy and Legal Analysis
Grant Pennoyer, Director, Office of Fiscal and Program Review
Suzanne Gresser, Revisor of Statutes
John Barden, Director, Law and Legislative Reference Library
Scott Clark, Director, Legislative Information Technology

Speaker Eves convened the meeting at 3:43 p.m. with a quorum of members present.

SUMMARY OF DECEMBER 6, 2012 MEETING OF LEGISLATIVE COUNCIL

The meeting summary for the December 6, 2012 meeting is currently being prepared and will be completed and available at the next Legislative Council meeting. No Legislative Council action was taken.

OLD BUSINESS

Item #1: Establishment of Initial Salaries for Constitutional Officers and the State Auditor

Legislative Council Chair Speaker Eves opened the discussion of this matter by stating that he and other members of the Legislative Council are grateful for the service and dedication of the Constitutional Officers and the State Auditor. They bring extensive experience and expertise to the Legislature and to the people of Maine through their work in their positions. He then stated that after careful consideration and consultation with other members, he has concluded that it is appropriate and reasonable to set the initial salaries for the Constitutional Officers and the State Auditor at the rate as prescribed in the Executive Director's memo dated December 6, 2012. He expressed his gratitude to the Constitutional Officers and the State Auditor for returning to State service, and the Legislative Council will rely on their wisdom and experience as the Legislative Council moves forward over the next two years.

Representative Fredette then thanked Legislative Council Chair Eves for his recommendation on the establishment of the salaries and stated that he fully supports the recommendation. He also thanked the Constitutional Officers and the State Auditor for their service. Representative Fredette concluded by saying that elected officials all are here to do the work of the public, and he appreciated the thoughtfulness and manner in which the Legislative Council is handling this matter.

The following motion was then made.

Motion: That the Legislative Council establish the initial salary for the Attorney General at Step 5 of Salary Grade 91; the initial salary for the State Auditor at Step 5 of Salary Grade 89; and the initial salaries for the Secretary of State and the State Treasurer at Step 3 of Salary Grade 88, in accordance with State law. Motion by Senator Alfond. Second by Senator Jackson. **Motion passed unanimously (9-0-0-1, with Senator Katz absent).**

Item #2: Establishment of Initial Salaries for Clerk of the House and Secretary of the Senate

Legislative Council Chair Speaker Eves opened the discussion of this matter by stating that what he said previously regarding the Constitutional Officers' initial salaries goes for the Clerk of the House and the Secretary of the Senate as well. Their many years of experience will help guide the legislature, and he appreciated their prior service and their return to service in the Legislative Branch.

Representative Fredette then thanked Legislative Council Chair Eves for his recommendation on the establishment of the salaries for the Clerk and the Secretary and further stated that he fully supports the recommendation. He stated that he looks forward to working with the Clerk of the House, Secretary of the Senate and the Constitutional Officers.

Motion: That the Legislative Council establish the initial salaries for the Secretary of the Senate and the Clerk of the House at Step 2 of Salary Grade 14 of the Legislature's salary schedule, in accordance with State law. Motion by Representative Berry. Second by Representative McCabe. **Motion passed unanimously (9-0-0-1, with Senator Katz absent).**

NEW BUSINESS

Item #1: Proposal by Maine Public Broadcasting Network for Television Channel Covering Maine Legislature (Mark Vogelzang, President & CEO, MPBN)

Legislative Council Chair Speaker Eves introduced Mark Vogelzang, President and CEO for the Maine Public Broadcasting Network and invited him to make a brief presentation on MPBN's proposal for a television channel devoted to covering the Maine Legislature. Chair Eves remarked that from what he has heard initially about MPBN's proposal, it appears to be an excellent idea and should result in increased governmental transparency and the ability for people to tune in to legislative activities in their homes.

Mr. Vogelzang proceeded to give an overview of the proposal, summarized below and in the informational material found in the Legislative Council's packet.

MPBN is proposing on a pilot basis the first ever state-wide television broadcasting channel devoted to coverage of the Maine Legislature, tentatively to be named "State House Channel." With MPBN's renewed focus on continuing public affairs coverage, MPBN thinks this will be a very valuable public service. If the Legislative Council accepts the proposal, MPBN plans to launch the project on February 1, 2013. He emphasized that this would be a 6-month pilot project, conducted during the legislature's first regular session, to assess feasibility, costs and program success. Mr. Vogelzang stated that the broadcasts would be on a limited schedule. He also stated that MPBN would underwrite all costs, and there would be no extra costs or fees or services that would involve taxpayer dollars. The pilot project is estimated to cost between \$250,000 and \$300,000, to be obtained through solicitation of private funds. The State House Channel would be broadcast over the air on a dedicated, digital MPBN channel so it would be available to all persons and schools in Maine without charge, and without need for access to cable television or the Internet. Mr. Vogelzang presumed that the channel would be carried by Time Warner Cable and other cable television networks in Maine although he cannot make any guarantee at this time that that will be the case. If the Legislative Council approves the pilot project, Mr. Vogelzang would begin discussions with the cable television providers. Mr. Vogelzang also announced that MPBN has chosen Mr. Mal Leary to be its managing editor for the project. He is an experienced journalist in Augusta. He noted that MPBN's Board of Trustees is fully supportive of the pilot, and he introduced in the audience MPBN's vice-chair of the board and former legislator Senator Carl Turner.

A general discussion of the proposal followed the presentation.

Senator Goodall inquired as to whether MPBN has begun discussions with cable television providers about the State House channel. Mr. Vogelzang responded no, that he was waiting until the Legislative Council approves the proposed project but he would do so after approval has been received.

Representative Fredette asked whether Legislative Council approval of the pilot project would likely result in an MPBN request for an annual General Fund appropriation to support the broadcast channel on an on-going basis. Mr. Vogelzang responded by saying that the only commitment MPBN's Board of Trustees has authorized to date is the 6-month pilot project. Potentially, future funding could be in the form of a fee for service or a request for State funding but there are no plans for future funding at this time.

President Alfond then made a motion (see motion below).

Senator Goodall then asked if the scope of review by the subcommittee (referenced in the motion) would include considering other potential proposals by cable television or other similar providers so a broader discussion of making legislative information available could be had as MPBN's proposal is considered. President Alfond responded that presumably the subcommittee will have the latitude to consider all opportunities to allow the pilot program to be seen by as many Maine viewers as possible.

Legislative Council Chair Eves stated his understanding that the purpose of establishing a subcommittee is to allow the Legislative Council to sort through the various details and protocols, and clarify expectations for the project, including funding, content management and project partner(s) before the Legislative Council makes any firm commitment to the proposal. He added that he believes the Legislative Council generally supports the proposal as providing greater transparency to the State House and allowing people to observe legislative activities, but that it needs to better understand the details to assure that the project will be feasible.

Representative Berry added that he hoped that broadcasts will focus on the more substantive aspects of legislative work such as committee hearings and important business of the House and the Senate rather than on procedural actions in the chambers.

Senator Jackson concluded the discussion by saying that many people in northern Maine depend on public television for news and he was excited about the possibility of this project going forward.

Motion: That the Legislative Council establish a subcommittee for the purpose of entering into a 6-month pilot program with Maine Public Broadcasting Network for a free over-the-air channel devoted to covering the Maine Legislature, beginning in early 2013; further, that the chair of the Legislative Council be authorized to appoint the members of the subcommittee; and further, the subcommittee shall review the proposal by MPBN and make recommendations to the Legislative Council as to appropriate conditions and protocols for a pilot program. Motion by Senator Alfond. Second by Representative Berry. **Motion passed unanimously (9-0-0-1, with Senator Katz absent).**

Item #2: Establish Subcommittees of the Legislative Council

No action was taken on this item since the subcommittee was established as part of New Business Item #1.

ANNOUNCEMENTS AND REMARKS

Representative Fredette announced that the Governor's office recently issued a memo in regard to an anticipated curtailment of funds in State agencies that also asked for legislative participation in the amount of approximately \$375,000, by memo to Executive Director Boulter. He inquired as to whether the Legislative Council was prepared to discuss that issue at today's meeting.

Mr. Boulter stated that he had received an email [from the state budget office] but to his knowledge the Governor has not yet issued any order to implement a curtailment of State funds that the email discussed. Mr. Boulter also explained that orders of this nature, typically in the form of Executive Orders, are binding on executive agencies but not on other branches of State Government. The Governor does not have authority to curtail legislative funds. The customary initial response to such a memo is to notify the Governor's office that when the Legislative Council establishes its Budget

Subcommittee, it will review the Governor's request and make appropriate adjustments to its accounts once it has reviewed the entire legislative budget. Mr. Boulter recommended that the Legislative Council continue to observe its traditional practice with regard to potential budget adjustments.

[Note: On December 27, 2012, the Governor issued an order curtailing allotments in the General Fund.]

With no other business to consider or further announcements, the Legislative Council meeting was adjourned at 4:03 p.m.

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REP. MARK W. EVES
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126TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

Legislative Council

**Executive Director's Report
January 29, 2013**

1. 2012 Income Tax Information for Legislators

The Office of the Executive Director has prepared 2012 income tax information for legislators of the 125th and 126th Legislatures as it relates to their legislative salaries and expense payments. The information is intended to aid legislators in preparing their income tax returns for calendar year 2012. The packets will be distributed to legislators on Thursday, January 31, 2013.

2. Bill Requests

As of January 18, 2013, the cloture date for filing legislator bill requests for the 1st regular session, 1,984 bill requests have been filed, of which 1,774 are legislator requests. This compares to 1,997 bill requests in the 125th Legislature (1st regular session), 1,899 of which were legislator requests and 1,843 for the 124th Legislature (1st regular session), of which 1,669 were legislator requests.

The Revisor's office is reviewing the requests for duplicates and is giving its highest priority to bill drafting.

3. MDF bus tour of interior Maine

The Maine Development Foundation conducted its regional economic bus tour of interior Maine on January 9-11, 2013, as part of the Legislative Council's legislator orientation program for the 126th Legislature. 70 legislators attended and initial feedback was that the tour was extremely informative and helpful.

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Fiscal Briefing

Legislative Council Meeting - January 29, 2013

Prepared by the Office of Fiscal & Program Review

1. General Fund Revenue Update

Total General Fund Revenue - FY 2013 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
December	\$245.4	\$240.2	(\$5.2)	-2.1%	\$250.7	-4.2%
FYTD	\$1,304.1	\$1,304.7	\$0.6	0.0%	\$1,312.6	-0.6%

General Fund revenue was \$5.2 million (2.1%) under budget in December, but remained \$0.6 million over budget for the first half of FY 2013. The Sales and Use Tax and Corporate Income Tax categories continue to lag behind budget despite recent downward forecast adjustments. Preliminary January revenue data (December taxable sales) indicate that holiday sales were below expectations, driving sales tax collections further below budget, but January corporate income tax receipts will offset a portion of the December's negative variance.

Individual Income Tax collections were \$6.6 million over budget for December and preliminary data for January indicate a positive variance in excess of \$25 million (primarily from estimated payments). At least in the short-term, the strength of individual income tax receipts, due to largely taxpayer behavior to shift certain income into 2012 to avoid pending tax increases in 2013, will be more than sufficient to offset negative variances in the other major taxes.

There are a number of other revenue variances that reflect purely timing issues in the monthly distribution of budgeted revenue for FY 2013. An example is the Transfers for Tax Relief Programs category, which was under budget by \$4.3 million in December, but was ahead of budget for the first half of FY 2013 by \$4.4 million.

2. Highway Fund Revenue Update

Total Highway Fund Revenue - FY 2013 (\$'s in Millions)

	Budget	Actual	Var.	% Var.	Prior Year	% Growth
December	\$23.5	\$21.2	(\$2.3)	-9.8%	\$23.1	-8.2%
FYTD	\$146.2	\$145.3	(\$0.9)	-0.6%	\$142.2	2.2%

Highway Fund revenue was \$2.3 million (9.8%) under budget in December and \$0.9 million (0.6%) under for the first half of FY 2013. About half of the December negative variance was related to a transfer budgeted in November rather than December. Gasoline Tax performance continues to be a major concern for the Highway Fund, lagging behind projections despite rather significant downward adjustments in the December revenue forecast.

3. Cash Update

The average balance in the cash pool in December was roughly \$75 million less than a year ago. The expected improvement in the General Fund cash position over the course of FY 2013 has been offset by negative revenue variances and spending above projections, particularly in the MaineCare program. General Fund internal cash flow borrowing is \$96.5 million higher than a year ago. The Governor's proposed Emergency Supplemental Budget reduces the amounts appropriated for external cash flow borrowing, but retains some funding for cash flow borrowing costs. The Governor's Emergency Supplemental Budget proposals will not significantly improve the State's cash position until the end of FY 2013. Approximately 70% of the savings initiatives offsetting the MaineCare shortfall and \$35.5 million downward General Fund revenue revision in the December 2012 revenue forecast are reductions in reserve fund balances or General Purpose Aid for Local School (GPA) savings. The use of reserve fund balance transfers has a negative effect on General Fund cash balance and the GPA will not affect cash flow until the end of the fiscal year.

General Fund Revenue
Fiscal Year Ending June 30, 2013 (FY 2013)
December 2012 Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2013 Budgeted Totals
	December '12 Budget	December '12 Actual	December '12 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Sales and Use Tax	76,160,787	74,154,275	(2,006,512)	438,918,648	436,912,135	(2,006,513)	-0.5%	0.2%	1,006,986,404
Service Provider Tax	4,658,978	4,046,339	(612,639)	21,322,951	20,739,776	(583,175)	-2.7%	3.4%	53,586,812
Individual Income Tax	126,898,721	133,562,448	6,663,727	677,532,467	684,196,195	6,663,728	1.0%	0.3%	1,413,890,000
Corporate Income Tax	36,802,526	32,828,494	(3,974,032)	74,828,388	70,854,358	(3,974,030)	-5.3%	-35.3%	186,021,732
Cigarette and Tobacco Tax	10,890,058	9,764,868	(1,125,190)	72,449,994	71,324,804	(1,125,190)	-1.6%	-2.2%	138,180,000
Insurance Companies Tax	33,638	15,931	(17,707)	14,175,275	14,329,986	154,711	1.1%	-1.0%	80,715,000
Estate Tax	3,587,800	1,606,758	(1,981,042)	29,139,433	27,158,391	(1,981,042)	-6.8%	116.1%	57,878,175
Other Taxes and Fees *	7,506,689	7,350,904	(155,785)	68,200,030	66,858,905	(1,341,125)	-2.0%	20.8%	151,399,353
Fines, Forfeits and Penalties	1,515,257	1,453,756	(61,501)	11,456,423	11,370,802	(85,621)	-0.7%	-2.4%	24,452,139
Income from Investments	709	4,050	3,341	49,686	74,295	24,609	49.5%	-59.7%	66,082
Transfer from Lottery Commission	5,052,893	5,703,495	650,602	26,275,002	26,732,539	457,537	1.7%	0.2%	52,550,000
Transfers to Tax Relief Programs *	(23,083,136)	(27,333,435)	(4,250,299)	(88,734,430)	(84,309,413)	4,425,017	5.0%	6.9%	(112,086,562)
Transfers for Municipal Revenue Sharing	(7,653,627)	(6,386,273)	1,267,354	(44,896,533)	(45,419,009)	(522,476)	-1.2%	6.8%	(93,076,067)
Other Revenue *	3,002,061	3,407,212	405,151	3,385,650	3,879,430	493,780	14.6%	-63.8%	60,219,187
Totals	245,373,354	240,178,822	(5,194,532)	1,304,102,984	1,304,703,193	600,209	0.0%	-0.6%	3,020,782,255

* Additional detail by subcategory for these categories is presented on the following page.

General Fund Revenue
Fiscal Year Ending June 30, 2013 (FY 2013)
December 2012 Revenue Variance Report

Revenue Category				Fiscal Year-To-Date					FY 2013 Budgeted Totals
	December '12 Budget	December '12 Actual	December '12 Variance	Budget	Actual	Variance	Variance %	% Change from Prior Year	
Detail of Other Taxes and Fees:									
- Property Tax - Unorganized Territory	0	0	0	11,979,881	9,654,297	(2,325,584)	-19.4%	-19.8%	14,114,107
- Real Estate Transfer Tax	738,007	857,469	119,462	4,155,445	4,274,908	119,463	2.9%	11.2%	9,142,526
- Liquor Taxes and Fees	1,606,881	1,246,158	(360,723)	10,629,669	10,741,961	112,292	1.1%	-1.3%	20,940,313
- Corporation Fees and Licenses	155,892	157,394	1,502	1,180,988	1,399,923	218,935	18.5%	12.0%	7,847,099
- Telecommunication Excise Tax	0	89,636	89,636	0	(403,834)	(403,834)	N/A	84.1%	11,000,000
- Finance Industry Fees	1,901,009	2,164,400	263,391	11,416,304	11,987,000	570,696	5.0%	3.9%	23,351,990
- Milk Handling Fee	86,927	101,348	14,421	1,728,436	1,742,857	14,421	0.8%	211.0%	2,249,995
- Racino Revenue	882,304	1,190,382	308,078	7,407,121	7,440,791	33,670	0.5%	44.4%	16,458,622
- Boat, ATV and Snowmobile Fees	182,336	168,295	(14,041)	1,849,984	1,745,089	(104,895)	-5.7%	-7.1%	4,763,561
- Hunting and Fishing License Fees	1,201,991	627,304	(574,687)	7,513,942	7,313,680	(200,262)	-2.7%	1.4%	16,214,189
- Other Miscellaneous Taxes and Fees	751,342	748,518	(2,824)	10,338,260	10,962,232	623,972	6.0%	212.5%	25,316,951
Subtotal - Other Taxes and Fees	7,506,689	7,350,904	(155,785)	68,200,030	66,858,905	(1,341,125)	-2.0%	20.8%	151,399,353
Detail of Other Revenue:									
- Liquor Sales and Operations	2,292	1,350	(942)	13,752	10,800	(2,952)	-21.5%	-31.2%	28,084,900
- Targeted Case Management (DHHS)	175,449	88,294	(87,155)	1,052,694	930,875	(121,819)	-11.6%	-69.2%	2,105,386
- State Cost Allocation Program	1,143,315	1,065,594	(77,721)	7,931,180	7,797,986	(133,194)	-1.7%	25.6%	16,115,330
- Unclaimed Property Transfer	0	0	0	0	0	0	N/A	N/A	6,000,000
- Toursim Transfer	0	0	0	(9,932,319)	(9,932,319)	0	0.0%	-5.4%	(9,932,319)
- Transfer to Maine Milk Pool	(106,093)	0	106,093	(1,372,489)	(1,520,704)	(148,215)	-10.8%	-6205.6%	(2,007,657)
- Transfer to STAR Transportation Fund	0	0	0	(6,137,811)	(6,137,811)	0	0.0%	-92.0%	(6,137,811)
- Other Miscellaneous Revenue	1,787,098	2,251,974	464,876	11,830,643	12,730,603	899,960	7.6%	-9.8%	25,991,358
Subtotal - Other Revenue	3,002,061	3,407,212	405,151	3,385,650	3,879,430	493,780	14.6%	-63.8%	60,219,187
Detail of Transfers to Tax Relief Programs:									
- Me. Resident Prop. Tax Program (Circuitbreaker)	(2,531,525)	(2,380,875)	150,650	(36,522,174)	(33,451,445)	3,070,729	8.4%	6.3%	(43,081,877)
- BETR - Business Equipment Tax Reimb.	(5,765,041)	(6,879,387)	(1,114,346)	(33,054,615)	(32,784,795)	269,820	0.8%	10.1%	(47,632,583)
- BETE - Municipal Bus. Equip. Tax Reimb.	(14,786,570)	(18,073,173)	(3,286,603)	(19,157,641)	(18,073,173)	1,084,468	5.7%	1.9%	(21,372,102)
Subtotal - Tax Relief Transfers	(23,083,136)	(27,333,435)	(4,250,299)	(88,734,430)	(84,309,413)	4,425,017	5.0%	6.9%	(112,086,562)
Inland Fisheries and Wildlife Revenue - Total	1,461,544	951,324	(510,220)	9,858,266	9,653,689	(204,577)	-2.1%	0.2%	21,894,711

Highway Fund Revenue
Fiscal Year Ending June 30, 2013 (FY 2013)
December 2012 Revenue Variance Report

Revenue Category	December '12 Budget	December '12 Actual	December '12 Variance	Fiscal Year-To-Date					FY 2013 Budgeted Totals
				Budget	Actual	Variance	% Variance	% Change from Prior Year	
Fuel Taxes:									
- Gasoline Tax	15,741,371	15,121,919	(619,452)	86,930,888	86,315,177	(615,711)	-0.7%	-2.1%	194,210,000
- Special Fuel and Road Use Taxes	4,616,449	4,778,268	161,819	20,042,903	19,762,232	(280,671)	-1.4%	2.9%	45,180,000
- Transcap Transfers - Fuel Taxes	(1,505,260)	(1,464,153)	41,107	(9,393,820)	(9,355,697)	38,123	0.4%	0.7%	(17,590,004)
- Other Fund Gasoline Tax Distributions	(393,644)	(378,154)	15,490	(2,595,247)	(2,579,915)	15,332	0.6%	5.4%	(4,856,610)
Subtotal - Fuel Taxes	18,458,916	18,057,881	(401,035)	94,984,724	94,141,797	(842,927)	-0.9%	-1.2%	216,943,386
Motor Vehicle Registration and Fees:									
- Motor Vehicle Registration Fees	4,990,604	4,708,373	(282,231)	31,063,317	31,393,794	330,477	1.1%	-0.6%	64,805,936
- License Plate Fees	265,296	259,182	(6,114)	1,685,084	1,788,144	103,060	6.1%	-0.7%	3,351,681
- Long-term Trailer Registration Fees	846,157	515,917	(330,240)	3,259,636	2,599,150	(660,486)	-20.3%	-21.3%	9,384,523
- Title Fees	902,871	864,720	(38,151)	11,620,403	11,882,533	262,130	2.3%	106.2%	17,836,273
- Motor Vehicle Operator License Fees	675,423	584,032	(91,391)	4,328,867	4,239,032	(89,835)	-2.1%	4.1%	8,761,371
- Transcap Transfers - Motor Vehicle Fees	(3,628,199)	(5,013,359)	(1,385,160)	(9,250,744)	(9,342,402)	(91,658)	-1.0%	-23.7%	(16,764,002)
Subtotal - Motor Vehicle Reg. & Fees	4,052,152	1,918,865	(2,133,287)	42,706,563	42,560,251	(146,312)	-0.3%	9.3%	87,375,782
Motor Vehicle Inspection Fees	248,540	566,835	318,295	1,491,240	1,905,575	414,335	27.8%	29.1%	2,982,500
Other Highway Fund Taxes and Fees	99,459	78,447	(21,012)	641,083	642,454	1,371	0.2%	-5.7%	1,276,365
Fines, Forfeits and Penalties	127,687	90,827	(36,860)	508,603	550,225	41,622	8.2%	12.9%	1,039,868
Interest Earnings	10,141	6,686	(3,455)	60,627	35,134	(25,493)	-42.0%	-28.6%	124,642
Other Highway Fund Revenue	505,234	472,971	(32,263)	5,813,264	5,478,008	(335,256)	-5.8%	3.9%	9,123,222
Totals	23,502,129	21,192,512	(2,309,617)	146,206,104	145,313,443	(892,661)	-0.6%	2.2%	318,865,765

LEGISLATIVE COUNCIL REPORT: 2012 Interim Legislative Studies and Committee Meetings

Updated January 28, 2013

<u>Study Name</u>	<u>2012 Meetings Authorized</u>	<u>2012 Meetings Held</u>	<u>Scheduled Next Meeting Date(s)</u>	<u>Report Date</u>	<u>Chairs</u>	<u>Status Notes</u>
AUTHORIZED COMMITTEE MEETINGS						
ACF committee meetings to oversee department implementation of establishment of Dept. of Agriculture, Conservation and Forestry (LD 1746, PL 2011, c. 657, Pt. W)	6	8/20; 11/14		n/a	Sen. Sherman & Rep. Edgecomb	conducted oversight (continued committee work will be ongoing during 126th)
VLA committee consideration of establishing a presidential primary (LD 1882, Resolve 2011, c. 164)	1	9/5		12/1/12; VLA may also submit bill 126th, R1	Sen. Farnham & Rep. Beaulieu	report completed (9/5 meeting held on same day as confirmation hearing; separately authorized meeting was not necessary)
EDU committee oversight of contracting for independent review of and report on EPS funding act (LD 958, Resolve 2011, c. 166)	4	7/11; 9/20		n/a; EDU may submit bill 126th, R2	Sen. Langley & Rep. Richardson	conducted oversight (continued committee work will be ongoing during 126th)
NEW STUDIES						
Franco-American Task Force (Resolve 2011, c. 102 as amended by LD 1601, Resolve 2011, c. 119)	4	6/19; 9/26; 10/24; 11/28		12/15/2012	Sen. Martin & Rep. Fredette	report completed
Task Force on Prevention of Sexual Abuse of Children (LD 1705, Resolve 2011, c. 162)	4			11/7/2012	Sen. Mason & Rep. Maker	task force never convened
Commission to Develop a Competitive Bidding Process for the Operation of Additional Casinos or Slot Machines (LD 1897, PL 2011, c. 699)	6 (includes 2013)			2/15/2014		appointments not complete (7 of 19 made) (staffed by DAFS; OPLA drafting assistance)
Development of proposed legislation for new retirement benefit plan for state employees and teachers (LD 1746, PL 2011, c. 567, Pt. J)	n/a	n/a	n/a	1/15/2013	n/a	MPERS responsibility; may request drafting assistance from the Legislative Council
ON-GOING LEGISLATIVE STUDIES						
Judicial Compensation Commission (4 MRSA section 1701)	n/a (funded from court system)	9/25; 11/13; 11/27; 1/11		12/1/2012 (annually even numbered years)	Josh Tardy, Esq.	report in process
Citizen Trade Policy Commission (10 MRSA section 11)	at least 2 per year	2/10; 3/9; 4/27; 6/15; 7/11; 9/19; 10/24		annually	Sen. Sherman & Rep. Maker	report completed
Legislative Youth Advisory Council (3 MRSA section 168-B)	may hold 2 per year	none	no meetings to be held	no report due this interim	Sen. Mason & Rep. Willette	not active this year
Right to Know Advisory Committee (1 MRSA section 411)	4	5/30; 10/11; 11/15; 11/29		1/15 annually	Sen. Hastings	report completed
COUNCIL-APPROVED STAFF STUDIES						
Creation of model sewer district enabling law (requested by chairs of EUT Committee)	n/a	n/a	n/a	no date; for consideration in 126th, R1	Advisor: Rep. Fitts	report in process

REP. MARK W. EVES
CHAIR

SEN. JUSTIN L. ALFOND
VICE-CHAIR

EXECUTIVE DIRECTOR
DAVID E. BOULTER



126TH MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

SEN. SETH A. GOODALL
SEN. MICHAEL D. THIBODEAU
SEN. TROY D. JACKSON
SEN. ROGER J. KATZ
REP. SETH A. BERRY
REP. KENNETH W. FREDETTE
REP. JEFFREY M. MCCABE
REP. ALEXANDER R. WILLETTE

MEMORANDUM

To: Legislative Council Members

From: ^{D.B.} David E. Boulter, Executive Director

Date: January 29, 2013

Re: Recommended agreement with MPBN for broadcasting pilot program

On Monday, January 28, 2013 the State House Broadcasting Subcommittee voted to recommend to the Legislative Council that it approve the request by Maine Public Broadcasting Network for a pilot program to provide coverage of legislative proceedings through a dedicated over-the-air channel, subject to execution of the attached Memorandum of Understanding by both parties. The MOU was developed in consultation with representatives of MPBN and MPBN has indicated its agreement with the language subject to final review by its CEO.

This recommendation and MOU will be presented to the Legislative Council for decision at its meeting this afternoon.

If you have any questions, please let me know.

Thank you.

Attachment

Cc: Interested parties

G:\Council\126th Legislative Council\SH Broadcasting Subcommittee\Recommendation for agreement with MPBN 1-29-2013.docx

**MEMORANDUM OF UNDERSTANDING AND
LIMITED LICENSE AGREEMENT
BETWEEN
MAINE PUBLIC BROADCASTING NETWORK
AND
MAINE LEGISLATIVE COUNCIL**

Whereas, the Maine Legislative Council ("Legislative Council") and Maine Public Broadcasting Network ("MPBN") have discussed the public benefits of televising legislative proceedings on a free over-the-air channel devoted to covering the proceedings of the Maine Legislature during a 6-month pilot program;

Whereas, the Maine Legislature currently broadcasts the legislative sessions of the Maine Senate and the House of Representatives by video and audio streaming them over the Internet using legislative facilities, equipment and networks;

Whereas, the Maine Legislative Council desires that certain legislative proceedings be televised so they may be viewed by as wide an audience as possible for the benefit of the residents of Maine;

Whereas, Maine Public Broadcasting Network has offered, at no expense to the Maine Legislature or television viewers, to provide and install the necessary equipment and provide for the telecast of legislative proceedings of the First Regular Session of the 126th Maine Legislature on a pilot program basis; and

Whereas, the Legislative Council and Maine Public Broadcasting Network agree to collaborate to achieve the purposes of this Agreement and agree that the intent of this Agreement is to ensure that MPBN programming gives television viewers an accurate, impartial and unedited view of the flow, content and conduct of legislative proceedings;

Now, therefore, the Legislative Council grants permission to MPBN to install certain broadcasting equipment in legislative areas and to televise the proceedings of the Maine Legislature on an-over-the-air television channel subject to the following conditions:

1. Quality of the Legislative Broadcasts. MPBN has assessed the quality of video broadcasts of the House and Senate proceedings and has determined that they are suitable for its over the air use. The Legislative Council will provide those video transmissions of the Senate and the House to MPBN. The Legislative Council will take reasonable measures to provide broadcast quality transmissions of the legislative proceedings from its equipment and feeds to MPBN but is not obligated to purchase equipment or make any improvements or operational modifications if MPBN later determines that the transmission quality becomes undesirable. The Legislative Council will provide MPBN access to the Senate and House video feeds from the point of the media closet located in the Welcome Center to offices MPBN currently leases in the Cross Building.

2. Televising Legislative Proceedings. MPBN will provide an over-the-air digital channel devoted to televising proceedings of the Maine Legislature and such channel shall be referred to as the "Maine Capitol Connection Channel." Each broadcast must state prominently that the broadcast is a collaborative project of the Maine Legislature and MPBN. Furthermore, the parties have determined that agreement on operating protocols and procedures is essential to the success of this pilot program and MPBN agrees to comply with the provisions contained in Attachment A, which is attached and made a part of this Agreement.
3. Timing of the Legislative Broadcasts. Maine Public Broadcasting Network will strive to televise the legislative proceedings as they occur but may delay or rebroadcast them at other times as MPBN deems appropriate for the convenience of television viewers.
4. Content and Format of the Legislative Broadcasts. The Legislature shall retain complete control over the content of the House and Senate video feeds and audio feeds; however, MPBN will exercise appropriate editorial control over the Maine Capitol Connection Channel broadcasts consistent with the terms of this Agreement, including Attachment A.
5. Recording, Preserving and Archiving. MPBN will maintain the recorded coverage on a daily basis for a 24 hour period, but will not maintain a permanent archival record of the broadcasts made during the period of this Agreement. MPBN may record legislative proceedings for the purpose of rebroadcasts of such content by MPBN.
6. Equipment Maintenance and Insurances. With the exception of legislative cameras that are installed in the House and Senate chambers and legislative sound equipment, MPBN will provide all equipment, including without limitation cameras and studio equipment, necessary for Maine Capitol Connection Channel broadcasts and agrees to maintain them in good working order. MPBN will maintain in force adequate general liability insurance for activities relating to Maine Capitol Connection at all times during the period of this Agreement. Access to maintain, service or repair such equipment is authorized subject to approval by the Director of Legislative Information Technology and is limited to MPBN employees authorized by the Executive Director of the Legislative Council in accordance with established building security protocols. When access to the State House or the Cross Building is necessary outside of regular business hours for equipment repairs, it must be arranged through the State's Building Control Center, upon the express approval of the Director of Legislative Information Technology.
7. Termination of License. This Agreement becomes effective on February 4, 2013 and remains in effect through the statutory date of adjournment for the first regular session unless terminated earlier in accordance with this Agreement.

If at any time, the Legislative Council or the presiding officer of the House or the Senate chooses to interrupt a legislative broadcast, the council or the presiding officer may do so without prior notice and for whatever reason deemed appropriate. However, if the Legislative Council decides to cease televising the legislative broadcasts altogether, it

agrees to do so only after forty-five (45) days written notice to MPBN.

If at any time MPBN chooses not to transmit the legislative broadcasts in accordance with this license, it may cease transmissions and disconnect and remove its equipment only after providing forty-five (45) days written notice to the Legislative Council. Removal of its equipment will be at MPBN's expense.

8. Limitations to Scope of License. This Agreement authorizes the installation of certain equipment on legislative property and the transmission of the legislative proceedings in accordance with the terms herein and does not and may not be interpreted to grant by implication any further rights or privileges, including, but not limited to, any intellectual property rights in legislative broadcasts.

MPBN may not transfer this Agreement and limited license to any other person or entity without written approval of the Legislative Council. This limited license is nonexclusive and the Legislative Council and the Legislature retain the right at all times to grant any other entity the same or similar license or any other licenses or authorizations without limitation.

9. Installation of Equipment. MPBN may install and operate broadcasting and directly-related equipment in specified areas in the State House and Cross Building for the period of this Agreement only. All such equipment, except for equipment installed in MPBN-leased offices in the State House Press Corps suite, must be identified in Attachment B of this Agreement. Such installation and maintenance must be accomplished under the supervision of the Director of Legislative Information Technology and must be in a manner that is compatible with and does not: disrupt or damage legislative equipment, transmissions or areas; disrupt the historic or architectural integrity of any such room or area; or disrupt the proceedings or functions of the legislature. MPBN is responsible for all costs of its equipment, including its installation, maintenance, repair, replacement and use. MPBN may not access, connect to, move, disconnect, disrupt, alter, tamper with or use legislative wiring, equipment, software or facilities except with the express approval of the Director or the Executive Director of the Legislative Council. Furthermore, MPBN may not arrange for or allow access by any person not an employee of MPBN, including contractors, to any legislative facility, equipment, software or wiring without such express approval of the Director or the Executive Director. Any such violation of these provisions is grounds for immediate termination of this Agreement.
10. Cooperation with Others. MPBN agrees to work with cable television providers in the state for the purposes of broadcasting legislative proceedings over cable television networks in addition to the over-the-air broadcasts by MPBN. MPBN is encouraged to make the video and audio feeds available to cable television providers, including local access television channels. MPBN agrees not to charge cable providers or cable television viewers for such use or viewing during the term of this Agreement.

11. MPBN Rights to Capitol Connection Designations. MPBN owns, solely and exclusively, all

right, title and interest in and to the designations "Maine Capitol Connection" and "Maine Capitol Connection Channel" (the "MCC Marks"), including without limitation: all trademark rights, trade name rights, service mark rights and any other intellectual property rights embodied therein, and all good will associated with the MCC Marks.

12. Parties. The parties to this Agreement are as follows.

Maine Public Broadcasting Network maintains its headquarters in Lewiston, Maine with a mailing address of:

Maine Public Broadcasting Network
1450 Lisbon Street
Lewiston, ME 04340
Tel: (207) 783-9101
Email: mvogelzang@mpbn.net

The Legislative Council is a branch of Maine State Government in Augusta, Maine with a mailing address of:

Maine Legislative Council
c/o Office of the Executive Director
115 State House Station
Augusta, ME 04333-0115
Tel: (207) 287-1615

The authorized representative of the Legislative Council for the purposes of administering the terms and conditions of this Agreement is:

David E. Boulter, Executive Director of the Legislative Council
Tel: (207) 287-1615, Fax: (207) 287-1621
E-Mail: david.boulter@legislature.maine.gov

13. Points of Contact in the Chambers. The House of Representatives contacts are: Millicent MacFarland, Clerk of the House (primary); and Robert Hunt, Ass't. Clerk of the House (secondary), telephone (207) 287-1400, and the Senate contacts are: Darek Grant, Secretary of the Senate (primary); and Joy O'Brien, Ass't. Secretary of the Senate (secondary), telephone (207) 287-1540.

This Agreement consisting of thirteen (13) pages including attachments is entered into by Maine Public Broadcasting Network and the Legislative Council on this 29th day of January, 2013.

By: _____
Mark Vogelzang, President & CEO
Maine Public Broadcasting Network

By: _____
Maine Legislative Council

Attachments (A, B & C)

Attachment A

Operating Protocols and Procedures

Guiding Principle and Agreement:

MPBN will strive to present “gavel-to-gavel” coverage of legislative proceedings without editorial content so as to accurately present what is seen and heard by a visitor to the Senate or House chamber gallery during a legislative session or a legislative committee room during a legislative hearing or work session. MPBN agrees to abide by the following protocols and procedures when broadcasting or recording the proceedings of the Maine Legislature.

A. Programming Parameters

1. MPBN will demonstrate to the satisfaction of the Legislative Council its technical capacity to produce high quality video coverage of the Maine Legislature before transmitting such coverage for the first time.
2. The Managing Editor is MPBN’s onsite program director. The Managing Editor will make the day-to-day decisions about what events to broadcast and the extent of those broadcasts.
3. The board of directors and officers of MPBN will not make day-to-day decisions about what events to broadcast or the extent of those broadcasts.
4. When the Senate and the House of Representatives are in session at the same time, the Managing Editor will decide which will be broadcast live and which will be recorded for later broadcast.
5. MPBN will abide by its “Guiding Principles of MMC,” as described in Attachment C, attached, to the extent it is not inconsistent with and does not conflict with the provisions of this Agreement.

B. Recording Notification and Parameters

1. The Managing Editor will provide to each member of the Legislative Council, the Executive Director of the Legislative Council, the Clerk of the House and the Secretary of the Senate, a weekly schedule of the legislative sessions, public hearings and work sessions and any other legislative proceedings it intends to cover during the following week. Should the legislative schedule change or the Managing Editor make a change to the broadcasting schedule, MPBN will provide a revised notice if MPBN’s programming is to be changed no later the evening before the session or meeting or as soon as practical after the change is published.
2. If MPBN wants to broadcast a chamber session, public hearing or work session that it had not previously scheduled, it may do so upon notification to the presiding officers or committee chairs, as applicable, and reasonable notice to the Executive Director of the Legislative

Council, Secretary of the Senate and the Clerk of the House.

3. For each committee proceeding to be covered by MPBN, the Program Director will notify the clerk of the committee and upon such notification the committee clerk will be responsible for arranging for a notice to be posted at the door to the committee stating that the proceeding is being covered by MPBN for television broadcast. The notice must be posted well before the start of the proceeding but in any event no later than 15 minutes prior to the scheduled start of the meeting.
4. Prior to the start of a committee hearing or work session, the Program Director will notify the committee chairs and staff if a hearing will be broadcasted or recorded.
5. MPBN will broadcast or record proceedings only after the presiding officer or presiding committee chair gavels the session, hearing or work session to order and only until the presiding officer or presiding committee chair adjourns or recesses the chamber session, hearing or work session. Low-level "background" audio may not be broadcast or recorded. Signal transmission must terminate immediately after the proceedings are adjourned or recessed; only background audio may be covered and video coverage must be limited to a general view of the room without close-up shots until such termination is completed.
6. The presiding officer or presiding committee chair may direct the immediate termination of a broadcast without prior notice in the event of an emergency or if a person in attendance poses a risk of harm to those present.

C. Broadcast Content

1. During the term of this Agreement, MPBN anticipates that it will limit its coverage of legislative committees principally to that of the Joint Standing Committee on Appropriations and Financial Affairs located in Room 228 of the State House. However, MPBN is allowed to cover the proceedings of other joint standing or joint select committees of the Legislature, upon prior notice to the Executive Director as provided under paragraphs B (1) and (2) above, using temporary cameras that will be removed following coverage of each proceeding
2. The Managing Editor will attempt to provide equal coverage of Senate and House sessions and, to the greatest extent possible, committee action.
3. If a chamber or committee recesses or adjourns, MPBN will attempt to identify the procedural status of the chamber or committee (e.g., "The committee is at ease in order to caucus"). During these times of recess, MPBN's broadcast, to the greatest extent possible, will default to a wide angle camera shot of the chamber or the angle used by the Legislature's cameras.
4. The Program Director will not broadcast any activities not produced or authorized by MPBN.
5. Broadcasts are expected to show proceedings "gavel to gavel." Should on-air time not allow for complete coverage of a proceeding, to the great extent possible, the entire proceeding must be available for later broadcast. If the Program Director decides to break away from an on-going proceeding, MPBN will inform television viewers, either through a voice over or

through on-air graphics, that the remainder of proceeding may be seen at another time specified.

6. Recordings or broadcasts are limited to proceedings of the full committee or the Senate or the House while they are in session. MPBN will not interview or record or broadcast remarks or statements from any person in the chambers or committee room at any time except those remarks or statements made as part of the formal legislative proceeding or the formal Caucus "response" to a State of the State address.

D. Cameras & Sound Equipment

1. During the term of this Agreement, cameras and related equipment may not be permanently installed. MPBN intends to use the video feeds from the House and Senate; it does not intend to place additional cameras in the chambers. If it does seek to place cameras in a chamber, it must notify the Senate President and the Senate Secretary or the House Speaker and the House Clerk, as applicable. Cameras must be placed in a location and manner that is unobtrusive, will not be disruptive of the proceeding, and will not create a safety hazard or interfere with ingress or egress. Placement of cameras is subject to approval by the Senate Secretary for the Senate chamber, Clerk of the House for the House chamber and Executive Director of the Legislative Council and presiding committee chair for committee rooms. To the greatest extent possible, MPBN and the Executive Director will discuss and agree upon, in advance of any broadcasts, suitable locations for placement of cameras in committee rooms.
2. The focal-length range of the cameras lens used in the committee room must be sufficient to provide for proper framing of each member or other person speaking. Cameras must be silent in motion and not require lighting that interferes with the proceedings in any way or noticeably increases the room temperature.
3. MPBN will use the legislature's sound system to record or broadcast audio of the legislative proceedings in the chambers and committee rooms.

E. Camera Shot & Audio Selection

1. Cameras must focus only on speakers recognized by the presiding officer or presiding committee chair. Camera shot selection must accurately convey the proceeding as it transpires. Close-ups shots will be limited to speakers recognized by the presiding officer or committee chair.
2. To the greatest extent possible, MPBN will avoid sensational or dramatic camera shots and extreme close-up shots. MPBN will not make any editorial attempt to explain, interpret or in any way add context to legislative proceedings by showing reactions of legislators, staff or other persons to legislation or statements made during such proceedings.

3. To the greatest extent possible, MPBN will avoid camera shots in which materials on legislators' or legislative staff's desks or electronic devices are discernible.
4. MPBN will avoid any audio or video broadcast or recording that MPBN considers, using its best judgment, to be sensational, inflammatory, inappropriate or invasive to personal or private materials or communications.
5. To the greatest extent possible, MPBN will not focus audio or video coverage on a person who has not been recognized at that time by the presiding officer or committee chair.
6. The video must default to a display of a wide angle view whenever the chamber is in recess. When the cameras are not broadcasting or recording in the committee room, they must be angled toward the floor.

F. Keyed Information and Graphics

1. At the beginning of the session or committee hearing or work session, the full name of the legislative body or committee will be displayed onscreen so it may be easily read by viewers. To the greatest extent possible, MPBN will inform viewers periodically during a broadcast that Legislators may be absent from the chamber or committee room due to their other legislative responsibilities and committee assignments.
2. During committee hearings or work sessions, the committee name and date of the hearing or work session will be identified through the use of a lower-third key, crawl or full-screen graphic. This information must appear on screen periodically, if not continually.
3. Legislators will be identified by name, party affiliation, town of residence (for State Representatives) and county of residence (for State Senators) when they speak. When speaking, the House Speaker, Senate President and majority and minority leaders will also be identified by their Legislative Leadership title. In committee proceedings, committee members will be identified in the same manner.
4. Legislative staff who participate in the proceeding will be identified by their position title.
5. The name and affiliation, if any, of those persons who testify at committee proceedings will be identified onscreen whenever possible. The Managing Editor and the Legislative Council will collaborate to identify the best way to collect and relay this information.
6. When legislation is being heard in committee, the bill number and short title will be identified and displayed onscreen periodically, if not continually, to remind viewers of the issue under consideration. When practicable, the prime sponsor of such legislation will be identified when the bill is presented.
7. During voting, the bill number and short title will be displayed to the maximum extent possible. If the short title does not adequately describe the measure under consideration so that it may be readily understood by viewers, MPBN will display such additional information

onscreen or through a voice over.

8. To the maximum extent possible, MPBN will display committee votes on legislation and votes in the chamber, and may display a clearly-readable camera shot of the chamber voting boards when a vote is taken.
9. Pre-produced crawls or full-screen graphics will be prepared to explain how viewers may obtain more information (including the Legislature's Internet address), and explain frequently used terms, e.g., caucus, divided report, indefinitely postponed, recede and concur and point of order. The crawls or graphics will be introduced at appropriate times during broadcast or recording of the proceeding and will be also shown during breaks in floor action.
10. At the conclusion of each committee proceeding that has been recorded or broadcast, the full name of the committee and date of the hearing will be identified. To the greatest extent possible, a summary of the bills considered and legislative action taken by the committee will also be displayed.
11. MPBN will identify to viewers whether an event is being broadcast live or recorded.
12. Correct identification of speakers and issues is crucial to increasing public understanding of the legislative process. Identifying speakers, including legislators and persons testifying, and keeping track of bills will require diligence by MPBN, and MPBN is responsible for ensuring sufficient quality control measures to accomplish such timely identification.

G. Program Editing

1. Once MPBN begins coverage of one chamber, it will continue the recording or broadcasting, to the greatest extent possible, until that body adjourns or recesses.
2. If the chamber is at ease, MPBN will remain with that chamber, to the greatest extent possible, until it adjourns or recesses.
3. Original recorded or live floor action or legislative hearings or work sessions may not be edited except to the extent they are required by law to be edited (e.g., emergencies or use of profane language).
4. Rebroadcast floor action or legislative hearings or work sessions may be edited as long as the consideration of a legislative measure is presented in its entirety and notice of such editing is given to viewers.
5. Rebroadcast material will be aired, to the greatest extent possible, with current bill status and the actual date on which the floor action or legislative hearing or work session occurred being displayed on screen.
6. To ensure viewers receive an accurate view of the flow, content and conduct of floor action or legislative hearings or work sessions, MPBN shall exercise its best judgment in the period during which that material will be rebroadcast.

H. Voice Over

MPBN may provide a "live" voice over operator to explain terms and other general information during proceedings, such as procedural motions. MPBN will not make editorial comments about the proceeding or the matters that are subject to the proceedings but provide a voice over solely to educate the public about the legislative process and the role of the participants.

I. Non-Partisan Nature

Programming will be complete, balanced, and fair without regard to political parties, partisanship or ideology. MPBN coverage of legislative proceedings and deliberations will be unedited except as specified in this Agreement. MPBN will accurately broadcast the proceedings and deliberations to the viewers, and MPBN will not editorialize on such deliberations or proceedings.

J. Use of MPBN Material

MPBN broadcasts of legislative proceedings under this Agreement and any reuse of such broadcasts may not be used for commercial, political, political campaigns, lobbying or partisan purposes, and MPBN agrees to so note in its broadcasts or other dissemination of the proceedings. However, MPBN may allow rebroadcasts of excerpts of its broadcasts by bona fide news organizations provided MPBN is credited as the source of the content.

K. Modifications

During the term of this Agreement, these Legislative Council reserves its rights to supplement or modify the provisions contained in this Attachment after prior consultation with MPBN. Any such supplement or modification must be in writing and approved by the Legislative Council.

Attachment B

Listing of Equipment, Function, Location and Date of Installation

Attachment C

MPBN's Guiding Principles for Maine Capitol Connection Channel

The Maine Capitol Connection Channel (“MCC”) will use its best efforts to:

provide programming that is fair, accurate, balanced and without regard to partisanship or ideology and advances the knowledge Maine citizens have of their government. MCC coverage is intended to offer viewers access to the deliberations of their government;

provide programming which will be scheduled by the Managing Editor in a manner that recognizes the role of timeliness in the value of information. Programming with content which does not lose value through immediacy may be delayed and replayed;

provide programming and scheduling of telecasts which will reflect a variety of possible subject matter and deliberating bodies. Balance shall also reflect the importance of covering issues of interest to particular geographic areas; and

provide programming and scheduling consistent with MCC's mission with the understanding that MCC's resources are limited. Programming will be consistent with the standards of MPBN, with its Managing Editor making day-to-day programming decisions.



State YMCA of Maine

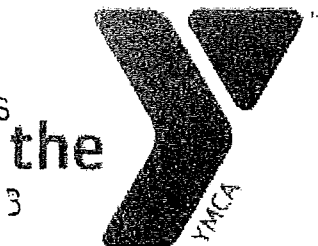
YOUTH IN GOVERNMENT PROGRAM

29 Town Hall Lane
Winthrop, ME 04364

207-377-9686
winymca@aol.com
www.yiginme.org

EXECUTIVE DIRECTOR'S
OFFICE

2012 NOV 19 P 2:13



David Boulter, Executive Director
Legislative Council
Maine State House
Augusta, ME 04333

Dear Dave;

I had to write and let you know what an outstanding, amazing, incredible weekend we just completed with Youth in Government 2012. This year 162 students, from 19 different schools came to the State House, and with an energy level that was infectious they debated and discussed issues they see facing our State.

Issues from "Changing requirements for new drivers" to "Using Lottery Proceeds to help with Heating for poor", and "Creating Rank Voting in State Elections", to our best bill award winner "Physician Assisted Suicide. They also elected a new Governor for next years' program Kelsey Sicard of Bonny Eagle High School. This years' group learned a great deal about the process especially how difficult it is to create a law. No matter how good an idea you have. Out of the 91 bills submitted only 7 were passed in both houses and only 5 were signed into law.

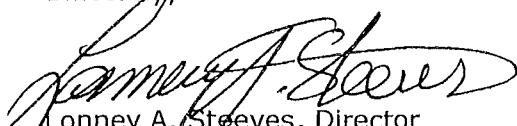
On behalf of the students, volunteers, advisors and myself we want to say Thank you for allowing the opportunity to use the State House, and the Committee rooms. Our program is so special because of this location. The students have a great sense prestige and honor sitting in the place where the actual legislature operates.

I would also like to thank you for the outstanding members of the State House staff who were with us all weekend. They are a big part of making the weekend a success, helping make sure everything is open and working.

Going through the security wasn't as big an issue as I was worried about, and the doors in the connector worked were fine after Friday night. We had a small issue getting in on Sunday morning the keycards wouldn't open the outside doors, but Heather Priest came and we all got in with no problem.

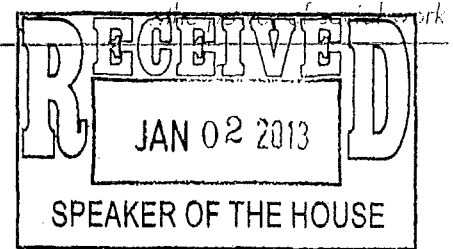
Again, thank for your all your support of our program, as is my tradition our request for dates for next year would be to have our program on the weekend of November 15-16-17, 2013. If there is anything that we left out of place from the weekend please let me know, we so appreciate all your help in making Youth in Government a success.

Sincerely;


Lonney A. Steeves, Director
Maine YMCA
Youth in Government Program

DEMOCRACY MUST BE LEARNED BY EACH GENERATION

2013 JAN -4 A 8: 55



December 20, 2012

To: Members of Legislative Council

Dear Leaders,

I am writing to you because of a change in schedule that has shifted Social Work Day's reserved time in the Hall of Flags from our traditional morning perch to the afternoon. Typically, we have served a light breakfast at the Hall of Flags of coffee, juice and muffins, (which, not incidentally, has also attracted legislative traffic before sessions) to our incoming students from Maine's schools of social work. In prior years, we have held our press conference in the Hall of Flags at noon and then students go get lunch, arrange to meet with their own legislators and attend committee hearings.

Because of the change in schedule, we will be coming into the Hall of Flags at noon (Thursday, April 11th), holding our press conference immediately and then I would like to give our students a bagged lunch. I'm told I need permission to do this, hence the letter to you. Here are my reasons:

1. We will now have the students come into the building in "waves" from the various schools each hour starting at 9 a.m. Our intention is to greet them in the Welcome Center (already reserved), orient them and then send them out to watch legislative sessions, tour the State House and/or to find their legislators. Each hour, another group of students will show up. The reason for this is that there is no place in the building, other than the Hall of Flags for 200 people (last year's number) to gather.
2. If we give them their bagged lunches when they come into the Welcome Center, the detritus could end up anywhere in the State House complex. If we give them lunch at noon, we can control and dispose of the rubbish since it will be centralized.
3. Not serving them lunch means that they will have to go and get a lunch and that means that they will be late for afternoon hearings and not available to run their University display tables. Those coming from UMPI will also be late in leaving to go back to Aroostook.
4. Frankly we need the students to STAY in the hall of Flags after the press conference and over the noon hour and beyond to run the tables on each school, which we will be setting up at noon. These tables inform legislators about the programs at the social work schools in their districts.
5. I have one other request: can we use the Legislative Council Chambers at 1 p.m. on the 11th to run a mock hearing for social work students who have never been to one?
6. Finally, I want you to know that we do need to attract legislators to come by and meet our students (the vast majority of whom will be spending their careers **in Maine** in professions where they will be **helping Maine people**). My idea for accomplishing this is that the schools of

social work will, with your permission, offer coffee and cookies at their display tables. Legislators who are on their way to Hearings or lunch after the sessions will be encouraged to stop by. In that regard, it is no different than what they have done in the past at breakfast with the pastries we offered. We **will not** be serving lunch to legislators or members of the public.

Therefore, it is my belief that permission to serve a bagged lunch to our students in the schools of social work in the Hall of Flags will enable us to have a well-run Social Work Day for both students and their legislators. I will also take **personal responsibility** for cleaning up before we leave the Hall of Flags in the afternoon. As most of you already know, I served in the legislature some years ago, and I have great respect for the institution and the building that houses it. Please let me know if you can allow this very limited food service to take place over the noon hour. Thank you.

Sincerely,

Susan Lamb,

A handwritten signature in cursive script, appearing to read "S. Lamb". The signature is written in dark ink and is positioned above the printed name and title.

Executive Director
Maine Chapter, NASW

REP. JOHN RICHARDSON
CHAIR

SEN. BETH EDMONDS
VICE-CHAIR



122ND MAINE STATE LEGISLATURE
LEGISLATIVE COUNCIL

SEN. MICHAEL F. BRENNAN
SEN. PAUL T. DAVIS, SR.
SEN. KENNETH T. GAGNON
SEN. CAROL WESTON
REP. GLENN A. CUMMINGS
REP. DAVID E. BOWLES
REP. ROBERT W. DUPLESSIE
REP. JOSHUA A. TARDY

DAVID E. BOULTER
EXECUTIVE DIRECTOR

Legislative Council Policy On the Use of the Hall of Flags

1. Introduction

Since its construction, the Hall of Flags has had a long and distinguished tradition as a Reception room and gathering area for Legislators and the public. With its historic collection of battle flags from the Civil War forward, the Hall of Flags is a place for Maine citizens to honor and reflect upon the many Maine men and women who defended our Country and made the ultimate sacrifice defending freedom and our democratic values and way of life. It is also the most public room in the Maine State House, where members of the public, Executive and Judicial officials and Legislators freely intermingle and communicate in the course of legislative affairs.

In adopting this Hall Use Policy, the Legislative Council establishes protocols for use of the Hall of Flags that: protect the safety of the public; prohibit uses that are inappropriate in the presence of schoolchildren or others; and provide for social discourse and forums for education on governmental matters in ways that bestow respect for the Hall of Flags and honor to the people and events it symbolizes.

2. Authorized Uses

The Hall of Flags may be used only for organized events that have a bona fide educational purpose relating to governmental matters, legislative affairs, legislative or gubernatorial ceremonies or other like category of activity. The Hall of Flags may not be used for any substantially private activity or event unrelated to the conduct of the public's business.

Furthermore, the Hall of Flags may not be used for acts of civil disobedience, petition signing for referenda, clemency petitions or advocacy, private events such as weddings, funerals, dinners or dances, or mercantilism. In addition, activities, including the display or distribution of materials that a person would reasonably find to be offensive, harassing, degrading or unduly disruptive or activities that are inappropriate in the presence of schoolchildren are prohibited.

3. Health and Safety

Protection of the health and safety of persons in the State House takes precedence over all activities and events in the Hall of Flags. The Legislative Council authorizes the Executive Director to establish such procedures and standards as necessary to protect the

health and safety of occupants in the State House at all times and to protect the integrity of the building and its contents. At a minimum: adequate clearances for safe ingress and egress must be maintained at all times in the Hall of Flags; equipment or activities that pose a risk of fire or explosion are prohibited; toxic, noxious or infectious materials are prohibited; and any activity requiring the disabling of smoke detectors, fire alarms or security devices is prohibited. Except for Welcome Back Day and Maine Agriculture Day, the number of tables in the Hall of Flags may not exceed 15.

4. Security

Entities using the Hall of Flags must comply with all facility security requirements and all instructions by security personnel. The Bureau of Capitol Security may remove persons who are threatening, disruptive or in violation of provisions of this policy. Persons who violate this policy or who are disruptive or threatening may be denied future use of the Hall of Flags for any organized event.

5. Limitation on Food Service

The Legislature compensates legislators for some legislative expenses including meals, and legislative staff are sufficiently compensated in their work such that it is unnecessary for others to provide legislators or staff with complementary meals. Escalating levels of food service at Hall of Flag events in recent years have had the unintended but inevitable result of increasing expectations of meal service to be provided by other groups as well as increasing costs to those groups using the Hall of Flags. Furthermore, the serving of meals is unduly disruptive, increases facility maintenance costs, detracts from the overall purposes for use of the Hall of Flags and presents potential facility security risks.

Therefore, except as provided below, the offering of food and beverages in the Hall of Flags is strictly limited to refreshments such as milk, juices, coffee, tea, soda, water, doughnuts, pastries, cookies, fruit, nuts, healthy snacks and other similar category of foods that does not constitute the offering or serving of a meal or partial meal.

Entities who use the Hall of Flags are not obligated to make available any food or beverage as a condition of their use of the hall. However, to the extent that allowable foods are offered, the proprietor of the State House café must be contacted by those entities for the opportunity to provide the desired food service. Furthermore, the Legislative Council encourages the use of locally grown or produced foods to the maximum extent practical when food is served in the State House.

Exceptions: The Legislative Council hereby authorizes such an exception for the following events: Welcome Back Day, New Member Orientation, the Pre-Legislative Conference and other legislative receptions hosted by the Legislature; Maine Agriculture Day; Maine Bankers Day; Maine Community College Day; Maine County Day(s); Maine Tourism Day; and school food service day.

6. Equipment and Furnishings

Equipment and furnishing such as chairs, tables, lights, podiums and sound systems used in the Hall of Flags must be those provided by the Legislative Council. However, The Legislative Council authorizes the use of LCD and slide projectors, laptop computers, tabletop displays and other such portable information presentation equipment to be provided by the entity authorized to use the Hall of Flags. Use of other equipment is not allowed unless it is consistent with the intent of this policy and is specifically authorized by the Clerk of the House when accepting hall reservations under paragraph 11.

7. Nonexclusive Use

The Hall of Flags is a public hall and entities authorized to reserve and use the Hall of Flags often are expected to share the hall with other entities or coordinate activities and schedules. Accordingly, such entities should neither expect nor demand exclusive use of the Hall of Flags. Legislative uses take precedent over other uses in the Hall of Flags, regardless of whether other, nonlegislative entities obtained advance reservations for its use.

8. Times Held for Legislative and Visitor Use

The Clerk of the House shall establish a reservation schedule that provides for unreserved blocks of time in the Hall of Flags each week for legislative press conferences or other unscheduled legislative activities that may arise during the course of the legislative session. In addition, the schedule must provide for convenient times when visitors to the State House may view and reflect upon the collection of historic flags uninterrupted by organized events in the Hall of Flags.

9. Prohibitions

At a minimum, the following are prohibited from the Hall of Flags:

- A. open flames except when used in a safe manner for warming dishes
- B. propane, gasoline, accelerants and other flammable materials
- C. compressed gases and helium-filled balloons
- D. toxic, noxious and infectious materials
- E. grills, frying pans and fryolators
- F. alcohol
- G. animals, except for service animals
- H. noisemakers, bullhorns and other sound amplification or broadcast devices. However, bona fide members of the news media may use broadcast equipment in the course of their work
- I. strobe lights
- J. signs and banners on wooden or rigid supports that may cause injury
- K. weapons of any type except on the person of a law enforcement who is on duty and when the presence of such weapons has first been disclosed to the Bureau of Capitol Security
- L. altering or disabling electrical, telecommunication or security devices or wiring

- M. affixing signs, banners, displays or other materials to walls, columns, flag cases or portraits
- N. active distribution of materials or leaflets
- O. soliciting, marketing or selling of goods or services

10. Security Deposit and Use Agreement

Nonlegislative entities, other than the Chief Executive, Chief Justice or Constitutional Officers, who reserve and use the Hall of Flags must, at the time of reservation or prior to use, provide a security deposit of \$100 and enter into a Use Agreement accepting the terms and conditions of use of the Hall of Flags. The agreement must require such entities to immediately report and accept financial responsibility for any damages to the facility or equipment occurring during their use of the Hall of Flags. The security deposit will be returned unless the entity that uses the Hall of Flags damages legislative equipment or facilities, does not set up or remove all items in a timely fashion, including removing all litter following use, or violates the terms of the Use Agreement. The Executive Director will notify the Clerk of the House when the director believes that an entity has caused damage to the facility, improperly used the Hall of Flags or left the Hall of Flags in an improper condition.

The security deposit may be waived for those entities using the Hall of Flags that require three or fewer tables to be set up. Furthermore, the security deposit may be waived or reduced in situations where paying the deposit would result in a serious economic hardship to the entity using the Hall of Flags.

11. Administration

The Clerk of the House of Representatives and the Executive Director of the Legislative Council, jointly, shall administer this policy. The Clerk is responsible for scheduling and reserving the Hall of Flags for authorized activities during regular business hours and for collecting applicable security deposits. The Executive Director is responsible for preparing the Hall for the scheduled activities and maintaining the Hall of Flags.

12. Authority and Effective Date

Pursuant to its authority under 3 MRSA, §162, the Legislative Council hereby adopts this Policy on the Use of the Hall of Flags on this 27th day of October, 2005.

This policy becomes effective on January 1, 2006.

BY: David E. Bowler
Maine Legislative Council



**STATE OF MAINE
126TH LEGISLATURE**

EXECUTIVE DIRECTOR'S
OFFICE

2013 JAN -4 A 8:42

**Seventh Annual Report
of the
RIGHT TO KNOW ADVISORY COMMITTEE**

January 2013

Members:

**Sen. David R. Hastings III
Rep. Joan M. Nass
Perry Antone Sr.
Shenna Bellows
Percy Brown Jr.
Michael Cianchette
Richard Flewelling
A. J. Higgins
Mal Leary
William Logan
Mary Ann Lynch
Judy Meyer
Kelly Morgan
Linda Pistner
Harry Pringle
Mike Violette**

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www.maine.gov/legis/opla
<http://www.maine.gov/legis/opla/righttoknow.htm>**

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Appendices

- A. Authorizing legislation, 1 MRSA § 411
- B. Membership list, Right to Know Advisory Committee
- C. Recommended Draft Legislation for statutory changes to public records exceptions (Title 22, Sections 1696-D and 1696-F and public records exceptions in Titles 26 - 39-A)
- D. Correspondence
- E. Recommended Draft Legislation: Remote participation in public proceedings
- F. Recommended Draft Legislation: Public notice requirements for public-private partnerships
- G. Recommended templates for drafting specific confidentiality statutes

EXECUTIVE SUMMARY

This is the seventh annual report of the Right to Know Advisory Committee. The Right to Know Advisory Committee was created by Public Law 2005, chapter 631 as a permanent advisory council with oversight authority and responsibility for a broad range of activities associated with the purposes and principles underlying Maine's freedom of access laws. The 16 members are appointed by the Governor, the Chief Justice, the Attorney General, the President of the Senate and the Speaker of the House of Representatives. More information is available on the Advisory Committee's website: <http://www.maine.gov/legis/opla/righttoknow.htm>. The Office of Policy and Legal Analysis provides staffing to the Advisory Committee while the Legislature is not in session.

By law, the Advisory Committee must meet at least four times per year. During 2012, the Advisory Committee met on May 30, October 11, November 15, and November 29. The Advisory Committee established the Legislative Subcommittee, the Public Records Exceptions Subcommittee, the Encryption Subcommittee and the Bulk Records Subcommittee to assist it in conducting its work. All four subcommittees held meetings and made recommendations to the Advisory Committee.

The Advisory Committee was very fortunate to have the services of a Legal Extern of the Maine School of Law. Katherine Lybrand, currently a third year student at the Law School, worked with the Advisory Committee during the first semester of the 2012-2013 school year.

As in previous annual reports, this report includes a brief summary of the legislative actions taken in response to the Advisory Committee's January 2012 recommendations and a summary of relevant Maine court decisions from 2012 on the freedom of access laws.

For its seventh annual report, the Advisory Committee makes the following recommendations, although not all the recommendations are unanimous:

- ☐ **Continue without modification, amend or repeal the existing public records exceptions in Title 26 through 39-A;**
- ☐ **Communicate to the Department of Health and Human Services about repealing two programs never implemented;**
- ☐ **Amend the Community Right-to- Know Act to provide for more public access to information about hazardous substances;**
- ☐ **Continue discussion and consideration of the confidentiality provision in the sentinel events reporting law;**
- ☐ **Make no changes to the law regarding the encryption of radio transmissions from police and first responders;**
- ☐ **Request that the Board of Trustees of the Maine Criminal Justice Academy consider creating a model encryption policy for consideration by local law enforcement agencies that reflects the current practices, and request that the board report back to the Advisory Committee on any decisions or actions taken pursuant to the request;**

- ☐ Request that the Public Access Ombudsman look at the confidentiality of email addresses collected by schools and municipalities and report back to the Advisory Committee;
- ☐ Make no changes to the application of the Freedom of Access laws to the Maine Public Broadcasting Corporation;
- ☐ Provide guidance through updates to the Frequently Asked Questions webpage and training for legislators with regard to the storage, management and retrieval of public officials' communications, including email;
- ☐ Make available to agencies and legislative drafters templates for drafting specific confidentiality statutes;
- ☐ Make no additional modifications to the Freedom of Access Act concerning bulk requests or bulk transfers of public records, with the understanding that concerns about bulk requests and bulk data transfers will most likely be revisited in the future (divided report);
- ☐ Enact legislation authorizing the use of technology to permit remote participation in public meetings (divided report); and
- ☐ Enact legislation requiring the Department of Transportation to give public notice at least 30 days prior to submitting a bill to the Legislature that authorizes an agreement implementing a public-private partnership for a transportation project (divided report).

In 2013, the Right to Know Advisory Committee will continue to provide assistance to the Judiciary Committee relating to proposed legislation affecting public access and the recommendations of the Advisory Committee for existing public records exceptions in Titles 26 through 39-A.

The Advisory Committee looks forward to a full year of activities and working with the Public Access Ombudsman, the Governor, the Legislature and the Chief Justice of the Maine Supreme Judicial Court to implement the recommendations contained in its seventh annual report.

Governor's Office of Policy and Management

EXECUTIVE DIRECTOR'S OFFICE Executive Department

2013 JAN 16 A 8:07

PAUL R. LEPAGE
Governor

RICHARD W. ROSEN
Director

January 15, 2013

Speaker Mark W. Eves, Chair
President Justin L. Alfond, Vice-Chair
Members, Legislative Council of the 126th Legislature
Maine Legislature
115 State House Station
Augusta, Maine 04333-0115

Dear Speaker Eves and President Alfond,

I am pleased to provide the annual progress report on Public Law 2005, Chapter 2 (also known as "LD 1") in accordance with 36 MRSA §7302. Attached is an executive summary. The full report is available online at: <http://www.maine.gov/tools/whatsnew/attach.php?id=480934&an=1>.

Previous reports and related materials can be found online at: <http://www.maine.gov/spo/economics/ld1/>

Sincerely,



Amanda Rector
State Economist
Governor's Office of Policy and Management

Cc: David Boulter, Executive Director

2012 Tax Levy Limit Progress Report

Executive Summary

Prepared by:
Governor's Office of Policy and Management
181 State House Station
Augusta, Maine 04333-0181
207-287-2873
<http://www.maine.gov/spo/economics>

January 2013

Authors and contributors to this report include:

Amanda Rector, State Economist

Thank you to those who contributed to the preparation of this report: countless local and county officials who provided data and technical guidance, Michael Allen and David Ledew (Maine Revenue Services), Jim Rier, Paula Gravelle, and Suzan Beaudoin (Maine Department of Education), Grant Pennoyer (Maine State Legislature, Office of Fiscal and Program Review), Kate Dufour (Maine Municipal Association), and Joel Johnson (author of last year's report).

The full report is available online: <http://www.maine.gov/tools/whatsnew/attach.php?id=480934&an=1>

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Executive Summary

In January 2005, Governor John E. Baldacci signed into law LD 1: An Act to Increase the State Share of Education Costs, Reduce Property Taxes and Reduce Government Spending at All Levels (Public Law 2005, Chapter 2). The goal of LD 1 is to lower Maine's state and local tax burden ranking to the middle one-third of states by 2015. The Office of Policy and Management (OPM) annually reports on the progress made by the state, counties, municipalities, and school administrative units toward reaching the tax burden reduction goal. This report was previously issued by the State Planning Office (SPO).

In the first LD 1 report, released in January 2006, the University of Maine's Dr. Todd Gabe stated, "The ultimate success of LD 1 at lowering the tax burden in Maine will be determined, at least in part, by its ability to reduce the growth of state and local government." Below, for each level of government, two simple questions are used to assess progress toward the LD 1's tax burden reduction goals: "Is aggregate spending within the LD 1 limit?" and "Is aggregate spending growing at a slower rate than in pre-LD 1 years?" Within the report, each level of government's spending and/or tax revenue is investigated in greater depth.

State

General Fund Appropriations within LD 1 Limit?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Appropriations Growth Compared to Pre-LD 1 Years:	Lower	<input checked="" type="checkbox"/>	Higher	<input type="checkbox"/>

For the eighth year in a row, growth of the state's General Fund appropriations has remained below the limit set by LD 1. General Fund appropriations in FY 2013 were \$526 million (14.9%) below the limit. General Fund appropriations fell 3.8% from FY 2012 to FY 2013, the third time appropriations have declined since LD 1 took effect. The average annual growth for the ten years prior to LD 1 was 5.4%. In FY 2012, total appropriations grew 9.0% due in large part to the expiration of federal funding from the American Recovery and Reinvestment Act of 2009 (ARRA) on June 30, 2011, and accounting for an additional \$63.6 million for GPA.

Municipalities

Combined Property Tax Levy within LD 1 Limit? Yes ☒ No ☐
Combined Tax Levy Growth Compared to Pre-LD 1 Years: Lower ☒ Higher ☐

For the eighth year in a row, survey-based estimates show the aggregate municipal property tax levy was below the aggregate LD 1 limit. 75% of municipalities in this year's sample stayed within their municipal property tax levy limit, which is the highest percentage since LD 1 took effect. Based on preliminary data from Maine Revenue Services (MRS), aggregate municipal property tax commitments grew by a rate of 4.3% in 2012, which is higher than last year but below rates in years before LD 1. Small municipalities showed lower property tax commitment growth than large municipalities (3.6% vs. 4.4%) but were more likely to exceed their LD 1 limit (35% vs. 20%). Overall, property tax commitment growth in 2012 remained below pre-LD 1 years. In the three years prior to LD 1, annual commitment growth ranged from 5.2% to 6.9%.

School Administrative Units

Appropriations within LD 1 Limit? Yes ☐ No ☒
Appropriations Growth Compared to Pre-LD 1 Years: Lower ☒ Higher ☐

As in previous years, K-12 schools exceeded appropriations targets set by LD 1, which uses the Essential Programs and Services (EPS) model of school funding to set targets for the amount of property taxes raised for local education. The LD 1 limit for schools is 100% of EPS, but some school units might be exceeding 100% of EPS by small margins in order to provide programs and some services that are not recognized as essential in the EPS benchmark cost calculation: extracurricular activities including sports and transportation to events, Advanced Placement classes offered at some high schools, unique onetime costs incurred for facilities improvements, and even in some cases local tax dollar support for school lunch programs.

The number of local schools exceeding their limit (76.3% of this year's sample) increased slightly from last year as did the amount by which they exceeded EPS. Fewer schools than last year (21% of this year's sample) were under 100% of EPS. Total K-12 appropriations increased substantially (3.4%) in FY 2013.

Counties

Combined Assessments within LD 1 Limit? Yes ☒ No ☐
Combined Assessment Growth Compared to Pre-LD 1 Years: Lower ☒ Higher ☐

Counties stayed within their combined LD 1 limit in 2012. County assessments were \$1.4 million (1.0%) below the limit. Overall, assessments increased 1.4% from 2011, the same as last year, which is the lowest annual growth rate since LD 1 took effect. The recent law unifying state and county correctional facilities and capping county jail assessments at 2008 levels coincides with this reduction in growth. Individually, eight counties stayed within their limits and eight surpassed them, with one county voting to increase the limit.

**STATE OF MAINE
125th LEGISLATURE
FIRST REGULAR SESSION**

**Final Report
of the
Task Force on Franco-Americans**

December 2012

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Executive Summary

The Task Force on Franco-Americans (“Task Force”) was established by Resolve 2011, Chapter 102 and Resolve 2011, Chapter 119 (Appendix A). The Task Force consists of 12 members: four members of the public appointed by the Governor; five members appointed by the Speaker of the House; and four members appointed by the President of the Senate with one Senate appointment left unfilled. A list of Task Force members is included in Appendix B. The authorizing legislation directed the Task Force to seek outside funding contributions to fully fund the cost of the study. On May 15, 2012, the Executive Director of the Legislative Council provided notice that the Legislative Council had accepted contributions of outside funding sufficient for the work of the Task Force.

The duties of the Task Force are set forth in Resolve 2011, Chapter 102 and Resolve 2011, Chapter 119 (Appendix A). The duties are as follows:

- Determine a definition for who is a Franco-American;
- Gather basic data about Franco-Americans, including, but not limited to:
 - How many Franco-Americans reside in the State of Maine;
 - The percentage of the State’s population that is Franco-American;
 - If they speak French;
 - Their educational achievement;
 - Their annual income;
 - Where they live; and
- Find ways to promote and preserve the Franco-American heritage that is shared by a great number of Maine residents.

The Task Force is required to submit a report, with findings and recommendations including suggested legislation, to the Maine Legislature by December 15, 2012.

The Task Force held meetings on June 19, September 26, October 24 and November 28. All meetings were open to the public. The Task Force held two out of four meetings outside of Augusta – the first at the University of Maine’s Franco-American Center in Orono, and the second at the Franco-American Heritage Center in Lewiston. Agendas of Task Force meetings and other information relating to the Task Force can be found online at <http://www.maine.gov/legis/opla/francoamerican.htm>.

The Task Force makes the following findings and recommendations:

Findings and Recommendations

FINDING #1:

Franco-Americans are the single largest ethnic group in Maine. According to the report based on 2010 U.S. Census Bureau data, “Franco-Americans in Maine: Statistics from the American Community Survey,” almost a quarter of all Mainers (24.3%) self-identify as either Franco-American or French Canadian.

Maine has a rich history of French immigration, culture and language, yet the Task Force finds that many of the historical contributions made by Franco-Americans have not been recognized appropriately. The Task Force finds that Maine's educational system should embrace the diversity of cultures in our State and teach all students about the history and socio-economic contributions made by Franco-Americans.

In 1996, the Maine Legislature enacted a law to establish learning standards, now called Maine Learning Results, for all students enrolled in Maine public schools and for students enrolled in private schools that are approved for tuition that enroll at least 60% publicly funded students.

State law (see 20-A MRSA §6209) directs the Maine Department of Education in consultation with the State Board on Education to "establish and implement a comprehensive, statewide system of learning results, which may include a core of standards in English language arts and mathematics for kindergarten to grade 12 established in common with the other states..." That section also provides that: "The department shall establish parameters for essential instruction and graduation requirements in English language arts; mathematics; science and technology; social studies; career and education development; visual and performing arts; health, physical education and wellness; and world languages."

In 2001, the Legislature passed a law requiring Maine Native American history and culture to be taught in all elementary and secondary schools (see 20-A MRSA §4706, sub-§2). This topic is now included in the review of content standards and performance indicators of the Maine system of learning results. Likewise, similar efforts have been made and corresponding legislation has been proposed to include the study of Maine Franco-American history in the statewide system of learning results.

RECOMMENDATION #1:

The Task Force recommends that the study of Franco-American history should be included in the statewide system of learning results, also known as Maine Learning Results.

- The Task Force recommends that the laws governing the educational requirements for instruction in history require the inclusion of Franco-American history and the study of the influence of French intellectual thought on American history (See Appendix G for suggested legislation).

FINDING #2:

According to the report, "Franco-Americans in Maine: Statistics from the American Community Survey," Franco-Americans are less likely to obtain a college degree compared to Maine residents as a group. In Maine, 21.1% of Franco-Americans hold a bachelor's degree or higher compared to 28.5% of all residents.

Likewise, a survey, of 600 Franco-Americans 18 years of age and older in Maine, commissioned by the Franco-American Center at the University of Maine had similar findings. The survey

found that 21% of respondents have college degrees. However, the survey data, when divided into age groups, reveal that 2% of Franco-Americans between the ages of 18 and 25 have college degrees compared to 40% of Franco-Americans between the ages of 26 and 45. The Task Force is troubled by these statistics, particularly those relating to the education of 18 to 25-year-old Franco-Americans.

The Task Force finds that more data is needed to better understand trends related to the educational achievement and aspirations of Maine's Franco-Americans. Improved data and greater understanding will enable policymakers to develop more effective public policy targeting educational attainment and aspirations among Maine's Franco-Americans.

The Department of Education gathers a variety of information on Maine students in order for the State to participate in federal grants and programs. The Maine Statewide Longitudinal Data System is one of several mechanisms used by the Department of Education to track data relating to Maine students. The system is intended to provide information regarding educational histories, placement, employment and other measures of success of participants in state educational programs. Students in public schools are each assigned a permanent unique identifier associated with the current Maine Education Data Management System (MEDMS), which is an information management system linking the Department of Education with local school administrative districts statewide.

The Task force finds that the Department of Education should facilitate the process of tracking Franco-American students in Maine and their educational achievements. This data could be a useful tool for educators interested in addressing the educational aspirations of Franco-American youth.

RECOMMENDATION #2:

The Task Force recommends that the Department of Education require Maine's public and private schools to collect and report Franco-American ethnicity data in order for the department to track their educational achievement.

- The Task Force recommends legislation directing the Department of Education to require the superintendent of each school administrative unit and the administrator of each private school to collect and report the number of Franco-American students attending their schools and, in the case of public schools, the number of Franco-Americans residing in their school district. (See Appendix G for suggested legislation).

FINDING #3:

According to the Command Research survey, 80% of Franco-Americans in Maine between the ages of 18 and 25 obtain a high school diploma; however, only 17% continue their education at a post-secondary institution and only 2% have obtained a college degree. In contrast, approximately 40% of Franco-Americans between the ages of 26 and 45 have earned college degrees according to the survey. The Command Research survey also reveals that 76% of Franco-Americans who have obtained a college degree did not have a parent who attended

college. In addition, 97% of Franco-Americans with a college degree indicate that post-secondary education is important for their children. Conversely, the Command Research survey found that almost as many Franco-Americans (over 80%) between the ages of 18 and 25 are unsure whether higher education is important.

The Task Force finds that the level of educational achievement of Maine's young Franco-Americans between the ages of 18 and 25 should be improved. The Task Force finds that the State as a whole should invest in recruiting Maine residents who are first-generation college students, both Francos and non-Francos. According to the Myall report, approximately 21% of Franco-Americans have obtained a bachelor's degree or higher compared to about 28% of all Maine residents. The Task Force finds that the educational attainment for all Maine residents could be improved.

RECOMMENDATION #3:

The Task Force recommends that the State require its public universities, including all seven campuses under the University of Maine System, and its public colleges, including Maine Maritime Academy and the Maine Community College system, to develop a strategy to recruit first-generation college students from Maine and to improve the post-secondary graduation rate of this population. The Task Force also recommends that the State's public colleges and universities engage Maine's private colleges and other post-secondary educational institutions in developing strategies to attract and increase the enrollment and graduation rate of first-generation Maine students.

- The Task Force recommends legislation directing the University of Maine System, the Maine Community College System and Maine Maritime Academy to convene a working group to develop a long-term recruitment strategy to increase the enrollment and graduation rate of first-generation students who are Maine residents at the State's public universities and colleges. The legislation will also direct the working group to invite the participation of Maine's private post-secondary institutions when developing this long-term strategy. The legislation will require the working group to provide an update on its efforts to the Legislature on an annual basis beginning in 2014 (See Appendix G for suggested legislation).

FINDING #4:

The public opinion survey commissioned by the University of Maine's Franco-American Center affirms that there is a statewide Franco-American community. However, according to Chris Potholm, the president of the polling firm Command Research, the survey results also reveal that there is great diversity within this coherent community. Furthermore, according to the report, "Franco-Americans in Maine: Statistics from the American Community Survey," "...self-identified Franco-Americans are still a significant group in the State, and one that is economically and demographically vibrant."

Interestingly, the analysis of the 2010 U.S. Census Bureau data appears to suggest that a large number of younger Maine residents identify themselves as Franco-American. While it is

important to recognize and acknowledge Franco-American history, the Task Force finds that it is even more imperative that we collectively look ahead to find ways to preserve and promote the Franco-American resource in our State with younger and future generations in mind.

RECOMMENDATION #4:

The Task Force recommends that civic leaders, members of the Franco-American community and interested individuals from both the public and private sector join to create an independent, statewide Franco-American Leadership Council ("Leadership Council") that would be charged with continuing and building on the work of the Task Force.

The Task Force recommends that the Leadership Council operate as a non-profit organization, independent of any political party affiliation and state government. The Task Force believes that this structure for the Leadership Council would allow the organization to be forward-thinking, nimble and effective in leading the mission to address the socio-economic challenges facing Franco-Americans in Maine today. The Leadership Council's primary mission would be to lead civic engagement and develop partnerships within the Franco-American community, the Franco-American Center at the University of Maine, the Franco-American Center in Lewiston, the Franco-American Collection at the University of Southern Maine, and other local entities to more effectively promote opportunities statewide for the preservation, promotion and recognition of Franco-American achievements, culture, language and heritage in Maine.

EXECUTIVE DIRECTOR'S
OFFICE

2013 JAN 18 A 8:05



January 15, 2013

The Honorable Paul LePage
Governor of the State of Maine
State House Station #1
Augusta, Maine 04330

Subject: Annual Report of MRRA

Dear Governor LePage:

Pursuant to 5 MRSA §13083-S, I am writing to advise you of the activities of the Midcoast Regional Redevelopment Authority (MRRA) for the year ending December 31, 2012, at the completion of our fourth year of operation.

The highlights of 2012 include:

- ☐ MRRA has received over 1,656.81 acres of property conveyances to date; 79% of total it is slated to receive.
- ☐ MRRA operated a fully operational regional airport.
- ☐ Southern Maine Community College has established a vibrant Midcoast Campus to focus on business needs in this region. It has a current enrollment of nearly 400 students with a goal of expanding to about 3,000, and has developed a strong partnership with the University of Maine.
- ☐ Twenty-two business entities now call Brunswick Landing home. More than 163 jobs have been created with the projection of an additional 500 just from these companies in the several years. These businesses currently lease 289,000 square feet of space, which has exceeded the historic annual real estate absorption rate for commercial/ industrial property in the region by a factor of three.
- ☐ There is also a 79,000-square foot state-of-the-art manufacturing facility under construction for Mölnlycke Health Care, which will begin operation next summer and employ 45 to start.
- ☐ Cumulatively, private investment in these activities is more than \$100 million.
- ☐ There are more than 100 current construction and maintenance jobs on the property.
- ☐ To aid its redevelopment efforts, Brunswick Landing recently received notification of its acceptance as a Foreign Trade Zone from the U.S. Department of Commerce (FTZ Zone 282).
- ☐ On May 3, MRRA sold 245 acres of land and a former childcare center to Affordable Midcoast Housing to enable the subsequent sale and lease of the former military housing units to young families in Brunswick and Topsham. To date, nearly 31 units have been purchased in the McKen Street neighborhood, and the remaining units are over 90 percent occupied.



- ❑ Since January 2011, MRRA has paid nearly \$5.5 million to state and local contractors. In addition, MRRA and its business tenants will pay more than \$450,000 in real estate and personal property taxes to the town of Brunswick this fiscal year.
- ❑ Over \$1.7 million has been invested this year in transitioning the airfield into a civilian General Aviation Airport as part of a \$25 million upgrade over the next five years.
- ❑ MRRA hosted the second International Fly In and second civilian Great State of Maine Air Show highlighting Maine's aviation sector.

The statute requires that the report must address the following issues for the previous year:

A. Description of the Authority's operations

The year 2012 was another busy, challenging and productive year for MRRA. As a state, we continued to wrestle with an economy that is stagnant and the closure of NASB only compounds the challenges facing Maine and the Midcoast region. Despite these challenges, MRRA continues to work hard to enhance the redevelopment of Brunswick Landing and Topsham Commerce Park and to be a catalyst for the State's economic recovery. Our business development efforts continue to focus on quality job creation in several targeted industries: aviation/aeronautics, renewable energy, composites, information technology, biotechnology, and higher education.

This past year's accomplishments include:

- ❑ In February, there was national press attention to Kestrel Aircraft's decision to locate part of its manufacturing operation in Superior, Wisconsin. While MRRA was certainly disappointed that it could not put together a package that could win over the whole complement of the Kestrel facility, we are encouraged that Kestrel will still have a major presence in Brunswick. Hangar 6 will serve as their design, finishing and sales facility; employing some of the higher paying and higher skilled workforce. They still expect to employ one hundred people.
- ❑ In late February, MRRA learned that it was not selected to be an allocatee for the 2012 round of the United States Treasury Department's New Market Tax Credit program. While disappointed, MRRA's small geographic area compared to other applicants representing multi-state, statewide or some of the largest American cities, made our application less competitive. In the meantime, we have been in working with several of the successful federal and State allocatees for future projects at Brunswick Landing.
- ❑ The Board of Trustees authorized the sale of approximately 245 acres of property and the former childcare center to Affordable Midcoast Housing and the purchase of twelve housing units along Admiral Fitch Avenue (commonly known as the Station Quarters) and one on Bath Road for a net sale price of \$2,374,980. The closing was held on May 3.
- ❑ Maine School Administrative District (MSAD) #75 discovered that approximately 14 acres at the Topsham Commerce Park identified in its PBC application had a leasehold encumbrance. The Federal Department of Education advised MSAD #75 that it would not support the transfer of the property with such an encumbrance. MRRA devised a work-out scenario, where the school district would abandon its PBC request and MRRA added the property to

its EDC request. MRRA would then convey the vast majority of it to the school district and a small sliver of land to Affordable Midcoast Housing adjacent to the housing development.

- ❑ At MRRA's request, the Town of Brunswick approved a minor zoning map change amendment to change approximately 27.5 acres of land that will retained by MRRA from residential land use district to community mixed use (this does not preclude residential). The change will permit MRRA to sell and/or lease the property for higher value commercial and office use. Approval was granted by the Town in December.
- ❑ The Board authorized staff to seek a zoning text amendment in our Community Mixed Use District to allow light manufacturing. We have been approached by several low intensive manufacturing businesses, such as breweries and brewing pubs, which were not allowable uses in the zone. Approval was granted by the Town in December.
- ❑ In March, the Board authorized the establishment of a *Leasehold Improvement Revolving Loan Program*. This program will be available to tenants to improve our buildings at below current market borrowing rates, which also fills a financing gap that typically poses a fundamental lending challenge in the conventional lending community. The loans will fund permanent tenant leasehold improvements. The loans will require a tenant to leverage non-MRRA funds on a minimum 1:1 ratio. The fund will be capitalized by a portion of the proceeds received from the sale of the housing land to Affordable Midcoast Housing. The loan program doesn't allow for proceeds used to fund personal (equipment) tenant property or business operations. The loan shall not exceed \$50,000 for a term of not more than five years. Ultimately, the loans will improve the value of the buildings owned by MRRA.
- ❑ As part of MRRA's commitment to the green redevelopment of NAS Brunswick and energy efficiency, we have worked in concert with Fraunhofer Center for Sustainable Energy Systems (associated with the Massachusetts Institute of Technology), Dow Corning, Dryvit Inc., Mathews Brothers for the installation of a new high efficient vacuum insulated panels system (siding) which is being installed on building #592 as an demonstration project for buildings in a northern climate.
- ❑ With the inclusion of the Brunswick Executive Airport in the FAA's Military Airport Program (MAP), the federal government, in partnership with the State of Maine and MRRA, will be making substantial investments over the next four years to transition the military airfield into a successful general aviation airport. The Board of Trustees authorized awards of bids to repaint airfield markings, complete airfield electrical improvements, install wildlife fencing and new gates, and airfield demolition projects on former military aviation equipment and hardware. FAA investments during 2012 totaled \$1,628,660 with a matching grant from MaineDOT of \$42,860 and a MRRA match of \$42,860.

Future MAP projects scheduled for the airport include construction of General Aviation "T-Hangars," improvements to airport stormwater systems, and various repairs and upgrades to airport buildings and systems.

- ❑ In November of 2011, the Board voted to move the fiscal year from a calendar year basis to a July 1 – June 30 fiscal year. So this year, MacDonald Page & Associates of Augusta, Maine conducted two audits within six months of each other. These two reports represented the

fourth and fifth consecutive audits of the MRRA's Financial Statements that generated clean opinion letters to the Board of Trustees. The auditors noted that MRRA had in place "significant accounting policies" described in note 1 to the financial statements. The auditors found that "the disclosures in the financial statements are neutral, consistent and clear." MacDonald Page reported that the Combined Statement of Revenues and Changes in Net Assets now include the Midcoast Regional Redevelopment Authority (all operations – airport, electric, water, sewer and stormwater utilities, MRRA Special Revenue Fund, OEA and grant expenses) as well as those component units which had substantive activity: Brunswick Landing MHC USA, LLC and the Midcoast Charitable Foundation of Maine.

- ❑ MRRA staff and two Board members had been working with the Town of Brunswick staff and three members of the Town Council to structure two Tax Increment Financing (TIF) agreements for Brunswick Landing and Brunswick Executive Airport. At its February 6 meeting, the Brunswick Town Council approved the boundaries of the TIF districts and submitted them to Department of Economic and Community Development (DECD) for designation pending the completion of the Development Program. The two parties continued discussions on the Development Program (eligible uses for TIF proceeds). The Town's TIF model included an expected revenue of \$151 million of tax revenue over the thirty year period of the TIF agreement, with MRRA receiving a total \$12 million – 8.0% of the total TIF revenue. MRRA's TIF revenue would have been used to support reinvestment in the infrastructure on base – roads and sidewalks, water, sanitary and stormwater utility delivery and collection systems. On September 4, the Brunswick Town Council voted to terminate the two tax increment financing districts that it had earlier approved and withdrew its application to the State of Maine. The MRRA Board will be reviewing and revising its five year financial model and capital improvement budget in light of this new development.
- ❑ On August 24, 25 and 26 MRRA held the second Great State of Maine Air Show. The Air Show, MRRA and the Brunswick Executive Airport received excellent coverage in the local media. The air show hosted the Maine Gold Star Families at show on August 24 and a special fireworks show that evening. It also hosted a group of "wounded warriors" participating in the Veterans/No Boundaries program through Maine Adaptive Sports and Recreation and a small group of WWII vets from the Maine Veteran's Home. Twenty non-profit groups participated in the air show, providing over 360 volunteers to staff concessions, parking and chalet areas that will result in a contribution of over \$20,000 to those organizations. An additional \$10,000 in community grants were provided through MRRA's subsidiary charity, the Midcoast Charitable Foundation of Maine.
- ❑ A deed was signed by the Navy and MRRA officials on September 20, 2012 transferring an additional 89.94 acres at Brunswick Landing. Since the approval of the Public Benefit Conveyance and the signing of the Economic Development Conveyance Purchase and Sale Agreement in 2011, the Navy has conveyed 1,597.60 acres of land at Brunswick Landing and 59.21 acres at the Topsham Commerce Park, totaling approximately 1,656.81 acres of the 2,088 acres we are slated to receive.
- ❑ MRRA has been advised that the FAA decided not to take possession of the former control tower on the west side of the property so MRRA plans to acquire it through the airport PBC. So that the facility is accessible from airport property, the Town of Brunswick has agreed to give MRRA 4.76 acres in its REC-1 land in exchange for MRRA giving the Town 4.76 acres on

the southwest side of the property abutting MRRA's AIR-2 land and the Town's REC-4 land. On September 26, the Board amended the PBC conveyance request to the Navy and requested the tower facility (building 231). Bowdoin College will be requesting that the former transmitter site and the radar site be added to its PBC form the Department of Education.

- ❑ On September 7, the Foreign Trade Zone officially granted MRRA FTZ Grantee status as Foreign Trade Zone No. 282 and designated 394 acres at Brunswick Landing as a Foreign Trade Zone (FTZ). The FTZ program helps U.S.-based manufacturing operations by removing certain disincentives associated with manufacturing in the United States. The duty on a product manufactured abroad and imported into the U.S. is assessed on the finished product rather than on its individual parts, materials or components. For U.S.-based companies involved in international trade, the FTZ program provides a means of improving their competitive position vis-à-vis their counterparts abroad. The fundamental benefit offered by the FTZ program is the ability to defer, reduce or even eliminate customs duties on products admitted into the zone.
- ❑ We have been advised by the Town of Brunswick Fire Department that we will not be able to hold temporary and incidental assemblies in Hangar 5 unless MRRA installs a significant number of additional bathroom facilities and new doors to accommodate large crowds. The cost of adding these additional facilities is estimated to be \$750,000 to \$1 million and is not justifiable for those temporary uses. In light of the above, we are no longer accepting inquiries for special events in this hangar. To date, we have turned away at least fourteen major events for the hangar and it's not likely that we will be able to hold a Fly-in next year.
- ❑ In August, MRRA was notified that the State of Maine had temporarily suspended authorization for drawdowns from the \$3.25 million State Bond Issue approved by the voters of Maine for investment property acquisition cost and capital infrastructure at the former NAS Brunswick and Topsham Annex facilities. To date \$2,857,466 has been drawn to support improvements to hangars 5 and 6 and demolition of an old Navy warehouse and utility extensions to support the construction of the new Mölnlycke Healthcare facility, repair of HVAC systems in the former Wing Headquarters building that is now home to Oxford Data Networks. This \$2.8 million investment has leveraged more than \$100 million in private capital investment.
- ❑ On September 14, the Office of Economic Adjustment and MRRA signed a Grant Agreement approving a budget of \$1,485,800 for FY 2013 retroactive to July 1, 2012.
- ❑ MRRA staff has been working with the Town staff and a community-wide stakeholders group to develop a recreation, trails and open space management plan for the properties to be acquired by the Town. The plan also identifies a perimeter trail system on the former base property that was envisioned as part of the reuse plan, which will utilize some of MRRA owned existing roads and trail systems. An initial public meeting was held on the concept plan on September 18.
- ❑ On September 26, the Board of Trustees authorized the Executive Director to execute a Purchase and Sale Agreement and associated closing documents with Affordable Mid Coast

Housing for the sale of the former Navy Gateway Inn, a 248 unit hotel facility and the 191 unit Bachelor Enlisted Quarters for a total sale price of \$6 million.

- ❑ MRRA staff has been working with the Topsham Town staff to establish a process going forward to realize the rapid redevelopment of the 12.58 acre parcel commonly known as the Military Triangle. In December MRRA issued a Request for Development Proposals that was advertised and mailed to thirty developers. Proposals are due January 31, 2013.
- ❑ MRRA entered into a one-year power purchase agreement with Constellation NewEnergy through Maine PowerOptions to purchase 100% of the electricity required for Brunswick Landing from renewable generation. Under a program called NewMix Wind Renewable Energy Certificates, MRRA is purchasing Green-e Energy Certified electricity from wind generating facilities located within the continental United States. Purchasing this Green-e certified energy demonstrates MRRA's support for operation and development of renewable power plants, reduces our greenhouse gas emissions and provides MRRA with stable, predictable electricity pricing.
- ❑ On November 5, the Bangor Daily News published an editorial siting Brunswick Landing as a Maine model for how economic development should be done.
- ❑ MRRA entered into an agreement with PEMCO & Co., LLC to replace 305 existing street and parking lot lights at Brunswick Landing, many of which are nearing the end of their useful life, with a new system of 270 more efficient LED fixtures. PEMCO has designed and is financing and implementing the new lighting system. PEMCO will handle all maintenance and metering/monitoring over the 10-year term of the agreement. Installation of the new lighting under this project is projected to reduce the energy consumed by street and parking lot lighting at Brunswick Landing by over 300,000 kWh per year (68%).
- ❑ As a result of funding and support of the Office of Economic Adjustment, MRRA hired Michael Russo as a Bookkeeper. Michael recently graduated with a Master's in Public Administration from the University of Maine. MRRA also hired Joshua Breau, MRRA's new assistant Public Works and Utilities Manager.
- ❑ At its Annual Meeting in November the Board reappointed its existing officers until the Governor makes, and the legislature confirms, appointments or reappointments, after which time a nomination committee will be formed and new MRRA officers elected.



□ As of December 31, 2012, the following entities are doing business at Brunswick Landing:

Open for Business

- American Bureau of Shipping
- BluSource
- Bowdoin College
- Brunswick Naval Aviation Museum
- Brunswick Sewer District
- Flight Level Aviation
- Goodwill Industries NNE
- Great Island Boat Yard
- Integrated Marine Systems
- Kestrel Aircraft Company
- Lee Auto
- Maine Coastal Flight
- Maine DECD
- Maine Technology Institute
- Maine Tool and Machine
- Harris Golf
- Mölnlycke Health Care
- New England Tent and Awning
- Oxford Networks
- Savi Solutions
- Southern Maine Community College
- University of Maine College of Engineering

B. An accounting of the Authority's receipts and expenditures, assets and liabilities at the end of its fiscal year

Please find attached an Unaudited Financial Report for the year ending December 31, 2012, including a balance sheet and budget report. A copy of the final Audited Financial Statement and Single Audit Act Report for the period ending December 31, 2011 was submitted to your office last spring. Please find attached a copy of the audited Financial Statements for the period ending June 30, 2012. These have already been presented to office of the State Controller for inclusion in the State financials for the period ending June 30.

It should be noted that MRRA does not receive a state appropriation as part of the General Fund Budget. MRRA's funds come from a combination of funds from the Office of Economic Adjustment within the United States Department of Defense and revenues from leases. Capital improvements projects are funded from a combination of aviation capital improvement funds from Maine DOT, the Federal Aviation Administration and the federal Economic Development Administration within the Department of Commerce. Capital funds have also been provided by a \$3.25 million bond issue approved by the voters of Maine.

C. A listing of all property transactions pursuant to Section 13083-K

On February 7, 2011 the Navy and MRRA and signed the airport Public Benefit Conveyance (PBC) for 990 acres, including three hangars, a number of aviation related support buildings and revenue producing facilities for the airport. The conveyance will come over time as properties as only properties that are determined to be "clean" through a Finding of Suitability to Transfer (FOST) can be transferred from the Navy. Accordingly, not all the properties will be conveyed at the same time, but in phases as clean-up continues and FOSTs are issued. As of December 31, 2012 MRRA has received a total of 934.62 acres of airfield property and 31 buildings.

Public Benefit Conveyance Transfers	2011	2012	Total
Airport parcels (acres)	715.51	219.11	934.62
Airport hangars and Buildings	13	18	31

In 2012 the Navy transferred 219.11 acres of land to MRRA with an estimated value of \$2.769 million and 18 buildings with an estimated value of \$2.682 million. As a condition of transfer from the Federal Aviation Administration and the Navy, land and buildings within the Airport property cannot be sold.

On September 14, 2011 the Navy signed a *Non-Binding Summary of the Acquisition Terms and Conditions for the Naval Air Station Brunswick, Maine by and between the United States of America and the Midcoast Regional Redevelopment Authority* (i.e. term sheet) for a total of 1,098 acres. MRRA accepted a deed for the first 258 acres of property on September 29, 2011. As of December 31, 2012, MRRA has received a total of 619.56 acres and 72 buildings.

Economic Development Conveyance Transfers	2011	2012	Total
EDC parcels (acres)	249.47	472.72	722.19
EDC buildings	22	70	92

During 2012, MRRA received transfers of 472.72 acres with an estimated value of \$10.374 million, and 70 buildings with an estimated value of \$27.589 million. The covenants of the Economic Development Conveyance from the United States Government require all sales and leases of property be at market rate. MRRA will also be required to pay a note of \$3.0 million beginning in 2014 and share for the next 20 years in a 25% gross revenue sharing agreement above the first \$7.0 received by MRRA from sale or lease revenue with the United States Navy.

In summary MRRA manages a total of 1,411.81 acres and all of the associated utilities serving those parcels – streets and sidewalks, street lights, traffic signals, electricity, water, sewer and stormwater utilities. MRRA is also responsible for the marketing, lease and management of 123 buildings.

Total Property Transfers

	2011	2012	Total
Land (acres)	964.98	691.83	1656.81
Buildings	35	88	123

MRRA currently leases 289,000 square feet of space, which has exceeded the historic annual real estate absorption rate for commercial/ industrial property in the region by a factor of three. There is also a 79,000-square foot state-of-the-art manufacturing facility under construction for Mölnlycke Health Care, which will open its doors in the spring of 2013. Cumulatively, private investment in these activities is more than \$100 million so far. And there are more than 100 current construction and maintenance jobs on the property.

On May 3, MRRA sold 245 acres of land and a former child care center to Affordable Midcoast Housing for \$2,374,980 to enable the subsequent sale and lease of the former military housing units to young families in Brunswick and Topsham. To date, nearly 28 units have been purchased in the McKeen Street neighborhood, and the remaining units are over 90 percent occupied. In the transaction MRRA purchased twelve homes along Admiral Fitch Avenue and one on Bath Road. All but four of these homes will be demolished to make room for commercial mixed use purposes for the foreseeable future. Two of the four homes are currently being rented.

D. An accounting of all activities of any special utility district formed under Section 13083-L

In September of 2011 the Navy transferred all utilities on the base, including the potable water distribution system, the sewer collection and pump station assets, stormwater collection system and the electrical distribution system. We have inherited the Navy's utility systems, but without the financial wherewithal of the federal government. We are faced with competing needs to (a) maintain service to the businesses, organizations and residential properties located on our properties and (b) provide for the sufficient funding to maintain and repair the utility system at Brunswick Landing. On October 1, 2011 MRRA began providing electrical distribution services, water and sewer/stormwater services to our tenants and through a Tenancy in Common Agreement with those who own property on the base (currently Southern Maine Community College and the United States Navy, Affordable Midcoast Housing).

This year also marked MRRA's second year of operation of a regional general aviation airport which is becoming a great asset for the Midcoast region, with over 1,000 takeoffs and landings, just this year. With the inclusion of the Brunswick Executive Airport in the FAA's Military Airport Program (MAP) the federal government in partnership with the State of Maine and MRRA, made substantial investments this year at the airport including repainting of airfield markings, installation of new energy efficient LED runway and tax lights, new wildlife fence installation and new airfield gates for pilots. FAA investments during 2012 totaled \$1,628,660 with a matching grant from MaineDOT of \$42,860 and a MRRA match of \$42,860.

E. A listing of any property acquired by eminent domain under Section 13083-N

No property was acquired by MRRA through its powers of eminent domain.

F. A listing of any bonds issued during the fiscal year under section 13083-I

MRRA did not issue any bonds during 2012.

The voters of Maine, however, approved a state transportation improvement bond which included \$500,000 for investment in aviation facilities at the airport facility in Brunswick. These funds are being used as the local match for FAA Military Airport Program investments at Brunswick Executive Airport. Each dollar of state investment leverages \$38 from the FAA and another \$1 from MRRA.

The State Legislature and the voters of Maine also approved a bond referendum for \$3.25 million to address Americans with Disabilities Act deficiencies at base buildings, utility meter upgrades, and building removals and other public improvements to support base redevelopment and job creation. As of December 31, 2012, MRRA has drawdown \$2,857,466.

While not a bond, MRRA through one its affiliates, the Brunswick Landing MHC USA LLC borrowed \$10.3 million from Bangor Savings Bank and a new market tax credit investment of \$4.0 from Wells Fargo Bank last year (December 29, 2011) to finance the construction of an 80,000 square foot "build to suit" manufacturing facility for Mölnlycke Healthcare at Brunswick Landing. When completed Mölnlycke Healthcare anticipates a workforce of starting at 45 and expected to grow to approximately 87 in a couple of years. Mölnlycke expects to be in production in the summer of 2013.

G. A statement of the Authority's proposed and projected activities for the ensuing year

Please find attached a copy of the 2013 Work Plan.

H. Recommendations regarding further actions that may be suitable for achieving the purposes of this article

Finally, the actual realization of new jobs and the timing of such at NASB will be dependent on several factors, including, but not limited to: receipt of successful and timely conveyances from the Federal Aviation Administration and Navy for hangar 4 and buildings 200 and 250 to support the airport operation, the condition and stability of the national and local economic markets; and the availability of sufficient financial resources for property management, security and operations, infrastructure, property improvements and marketing.

Successful redevelopment of closed bases is a very long-term proposition, which requires substantial public and private resources and patience. A key element in successful base redevelopment efforts is the level of support provided by the local, state and federal governments.

With the leadership and broad support of the Maine Legislature the voters of Maine approved an \$8.0 million bond issue to support the redevelopment effort. This bond included \$3.25 million to support investment in infrastructure replacement/ upgrades and building upgrades to meet civilian reuse and \$4.75 million for Southern Maine Community College to rehab buildings as NAS Brunswick. The bond has been an important key this past year to our ability to bring new businesses to Brunswick Landing.

In addition to the bond issue for capital projects, the State of Maine adopted two additional pieces of legislation that will be key to ensuring the rapid and successful redevelopment of NAS Brunswick. The first is the Brunswick Naval Air Station Job Increment Financing Fund that was established in 2009 to direct a portion of new state income taxes from jobs created at the former NAS Brunswick

and Topsham Annex back to MRRA and Southern Maine Community College. This economic development tool is a performance based tool; meaning that the greater the number of job created and the higher the incomes of those jobs, the greater the revenue to support base redevelopment and expansion of the programming at the Brunswick campus of SMCC.

The second new tool, which already has had a significant statewide impact, is the Legislature's decision to exempt all aircraft and repair parts for aircraft for the period of July 1, 2011 through June 30, 2015. The State's previous policy created a "black mark" on the State of Maine by the aviation community as place to avoid as an aviation destination or to conduct business. This decision has had a statewide impact on growth in the aviation sector. This change in the law has also provided the impetus for the Brunswick Executive Airport to lead an initiative, with supportive funding from the Maine Office of Tourism, to develop the Maine Flying Trail to help promote Maine to the flying public as an aviation destination. We would encourage the State of Maine to pass legislation that would remove the sunset provision of this law.

In February, MRRA Deputy Director and CFO Jeffrey Jordan and I attended the annual conference of the Association of Defense Communities. Once again, we learned from our colleagues from all across the country that we face similar challenges in redeveloping military bases. Successful redevelopment is dependent upon.

- ❑ Continued financial and technical support from the Office of Economic Adjustment has been critical to the planning and early stages of redevelopment.
- ❑ The new Economic Development Conveyance (EDC) federal law sponsored by Senator Olympia J. Snowe has been heralded as a major "game changer" in the BRAC property conveyance process. This law required military agencies to be more flexible in negotiating EDCs and turning over properties, and has enabled LRAs such as MRRA to get a much quicker start on the reuse efforts.
- ❑ Due to the length of the 2005 BRAC process (6 years) and the refocus of property sustainment funds and related deferred maintenance, a large number of buildings, when finally conveyed to the LRAs, require significant investments to make them ready for reuse. We have clearly experienced this issue with several of the large buildings we have received
- ❑ Unlike previous BRAC rounds, in the 2005 round, LRAs do not receive funding from the military services to support property maintenance and upkeep post transfer. This clearly places additional financial burdens on the LRAs and respective communities and states.
- ❑ There is a general lack of coordinated effort on the part of non-DOD agencies (EDA, HUD, DOL, USRDA, Treasury, etc.) to support the redevelopment efforts of BRAC'd bases and their affected communities.

Finally, MRRA would encourage the Governor and Legislature to clarify the definition of *airport or aeronautical purposes* for property tax purposes in 36 MRSA §651 so that the law is consistently applied across the State of Maine. Currently some Maine towns and cities exempt publically owned buildings that lease spaces to aeronautical businesses while others do not, creating an uneven playing field within our own State.

I. A description of the authority's progress toward achieving the goals set forth in section 13083-G:

1. **Short-term goal.** Recover civilian job losses in the primary impact community resulting from the base closure;
2. **Intermediate goal.** Recover economic losses and total job losses in the primary impact community resulting from the base closure; and
3. **Long-term goal.** Facilitate the maximum redevelopment of base properties.

Naval Air Station Brunswick employed 714 civilians at its Brunswick and Topsham sites at the time of the base closure announcement. After just 19 months from the official date of closing the base, there are 163 individuals working at Brunswick Landing with an expectation and commitment to grow that number to upwards of 356 within the next couple of years.

"Of the 25 major military bases closed by the Base Realignment and Closure Commission in 2005, redevelopment efforts at the former Brunswick Naval Air Station are far and away the most advanced." That's the assessment of Bryant Monroe, program leader for the Pentagon's Office of Economic Adjustment. "This round of base closures is particularly tough for a lot of reasons," says Monroe. "This is taking everyone a lot longer, across the board. For Brunswick (MRRA) to have gone from 'ground zero' — starting with a clean slate of empty buildings and now having 22 tenants at the base — there is no one close to them in that 2005 BRAC portfolio." (Maine Business Magazine, December 10, 2012)



Thank you for your interest and support of this important economic development project for the State of Maine.

Sincerely,


Steven H. Levesque
Executive Director

cc. John Butera, Governor's Office
George Gervais, Commissioner, MaineDECD
David Boulter, Director, Legislative Council
Joint Standing Committee on Labor, Commerce, Research and Economic Development

Senator Stan Gerzofsky
Gary Brown, Brunswick Town Manager
Cornell Knight, Topsham Town Manager
MRRRA Board of Trustees
Jeffrey K. Jordan, Deputy Executive Director



EXECUTIVE DIRECTOR'S
OFFICE

2013 JAN 25 P 3: 36

**STATE OF MAINE
125th LEGISLATURE
FIRST REGULAR SESSION**

**Seventh Annual Report of the
Citizen Trade Policy Commission**

December 2012

Voting Members

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

**Stephen Cole
Michael Herz
John Palmer
Connie Jones
Linda Pistner
Harry K. Ricker
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Advisory Members

**Michael Karagiannes
Pamela Taylor
Wade Merritt**

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- D. Trade Adjustment Assistance Reform Act of 2002, Information from Judy Pelletier, Maine Department of Labor
- E. Letters Sent from the Citizen Trade Policy Commission
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I. INTRODUCTION

The Citizen Trade Policy Commission was established during the Second Special Session of the 121st Legislature by Public Law 2003, chapter 699. A copy of the law establishing and governing the Commission and amendments to that law are in **Appendix A**. The 22-member Commission includes six legislators, an Attorney General designee, five non-voting agency officials representing the Department of Labor, the Maine International Trade Center, the Department of Environmental Protection, the Department of Agriculture, Food and Rural Resources, and the Department of Human Services, and 10 public members representing business, labor, health, government and environmental interests. The Commission initially convened on October 6, 2004. The Commission's current membership list can be found in **Appendix B**.

The Commission provides 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. Specifically, the Commission has the following duties:

- 1) To assess and monitor the legal and economic impacts of trade agreements on state and local laws, working conditions and the business environment;
- 2) To provide a mechanism for citizens and legislators to voice their concerns and recommendations;
- 3) To make policy recommendations designed to protect Maine's jobs, business environment and laws from any negative impacts of trade agreements; and
- 4) To establish and maintain a communication link between local, state and federal agencies and the public.

Information about the Commission's activities and all Commission documents can be found online at <http://www.maine.gov/legis/opla/citpol.htm> or obtained through the Office of Policy and Legal Analysis.

II. MEETINGS

During this reporting period, July 1, 2011 through December 5, 2012 the Commission held nine meetings on the following dates:

- September 16, 2011
- November 3, 2011
- December 15, 2011
- February 10, 2012
- March 9, 2012
- April 27, 2012

- July 11, 2012
- September 27, 2012
- October 24, 2012

Summaries of the Commission's meetings can be found on its website <http://www.maine.gov/legis/opla/citpol.htm>. A list of acronyms that may be helpful when reviewing the meeting summaries can be found in **Appendix C**.

The Commission used its meetings to:

- Monitor, discuss and react to on-going and emerging trade issues with a specific focus on the developing Trans Pacific Partnership Agreement (TPPA);
- Continue to explore the impact of international trade agreements on Maine's businesses, labor force, healthcare system and the environment;
- Conduct an assessment of the impacts of international trade agreements on Maine's state laws, municipal laws, and the business environment and working conditions in Maine;
- Coordinate its efforts with Maine's congressional delegation, state officials and other entities involved with international trade; and
- Further develop its relationship and communications with the United States Trade Representative.

The Commission is required by statute to hold at least two meetings per year at different locations in the state in order to hear public testimony and recommendations from people in the state regarding the actual and potential impacts of international trade agreements. During this reporting period of 18 months, the Commission held public hearings in Calais, Augusta and Skowhegan.

In addition, the Commission regularly invited guest speakers to its meetings to provide information on trade issues, pending trade agreements and issues relevant to the Commission's work. During this reporting period (July 2011 – December 2012), the Commission welcomed the following guest speakers to its meetings.

- **Diane Barnes, Calais Town Manager and John Ferguson, Chief Administrative Officer St. Stephen New Brunswick.** When the CTPC held its meeting in Calais in November of 2011, Ms. Barnes and Mr. Ferguson made a joint presentation to the Commission about relationship these border towns have worked hard to develop and maintain in this era where border security is so important. They spoke of how economic developments in one community ultimately show benefits in the other.
- **Sarah Bigney, Maine Fair Trade Campaign.** Ms. Bigney formerly worked with the Maine Fair Trade Campaign, which at the time was a state-wide coalition of more than 60

groups. According to their mission statement, the organization is a coalition united to build a just, sustainable and democratic economy. By the time the planned meeting was held in September 2011, Ms. Bigney had moved on from Maine Fair Trade to work for the Maine AFL-CIO but shared with the Commission a presentation that she made to past Commissions entitled "Trade Agreements 101." Her presentation described the evolution of trade agreements beyond instruments to govern the exchange of goods and services and how this evolution has had an increasing impact on state sovereignty. She spoke generally of concerns with the dispute resolution processes in place regarding trade agreements and the fast track process utilized by Congress to ratify trade agreements. She cited specific trade disputes that supported her concerns about the challenges trade agreements pose to federal and state sovereignty. Ms. Bigney also provided the Commission with a useful glossary of trade-related acronyms.

- **Bruce Bryant, Northeast Field Representative, Alliance of American Manufacturing.** Mr. Bryant is a former Maine legislator and past member of the CTPC. He made a presentation to the Commission regarding unfair trade practices regarding auto parts from China and what he stated were significant negative impacts to auto parts manufacturing in the United States.
- **Jim Catella, staff, Office of Senator Olympia Snowe.** Mr. Catella spoke to the Commission in the fall of 2011 regarding the Panama, Colombia and South Korea free trade agreements. At that point, the United States, under President Bush, had agreed to the trade treaties but they had not yet been signed by President Obama who was awaiting the passage of implementing legislation from Congress. Mr. Catella relayed to the Commission Senator Snowe's concerns about each agreement, which included allegations of human rights violations and lack of transparency with regard to banking practices that may assist corporations in avoiding tax liabilities.
- **Jean Grier, Chief Procurement Negotiator, Office of United States Trade Representative.** Soon after attending the Virginia-based negotiation round of the TPPA, and as a follow-up to letters sent to the USTR regarding certain provisions of the emerging TPPA, the Commission invited Ms. Grier to speak to them by phone in September 2012. Ms. Grier provided helpful responses to Commission members' concerns about provisions in the TPPA that could impact government procurement of goods and services.
- **Troy Haines, Maine Fair Trade Campaign.** Mr. Haines initially spoke to the Commission when he offered testimony at the public hearing portion of the meeting in Calais in November of 2011. He also offered brief comments to the Commission in late 2011. He was invited back to speak to the Commission in more detail at its February 2012 meeting regarding the effort to seek "fast-track" authority for the United States Trade Representative to negotiate the Trans Pacific Partnership Agreement and the negative implications of employing this process. Due to a travel issue, he was unable to make his presentation to the Commission. Instead, Sarah Bigney made the presentation to the Commission on his behalf.
- **Representative Jeff McCabe.** At its October meeting in Skowhegan, Representative McCabe briefed the Commission on his experiences attending the TPPA negotiations in

Virginia. He also spoke about the concerns held by many in the Skowhegan/Norridgewock region (home to 2 of 3 Maine-based New Balance manufacturing facilities) regarding changes to tariff provisions in the TPPA, particularly as those tariffs would impact imports of shoes from Vietnam.

- **Judy Pelletier, Trade Adjustment Assistance Program Administrator (TAA), Maine Department of Labor.** Ms. Pelletier briefed the Commission about the administration of the TAA program. CTPC members requested her participation at its meeting held in Calais to learn more about the program which they had been informed previously was due to expire if the U.S. Congress did not take action to extend. She provided them with information about elements of the program including outreach, training and job searches and included a useful handout that provided additional information which can be found in **Appendix D**.

- **Robert Stumberg, Professor and Director of the Harrison Institute of Public Law at Georgetown University.** During the autumn of 2011, Professor Stumberg provided a briefing on the 2009 Trade Policy Assessment completed on behalf of the CTPC. Professor Stumberg, who consulted with the Forum on Trade and Democracy, was contracted by the Commission to complete the statutorily required biennial assessment. He provided what he called a “roadmap” of trade agreements and discussed how lawyers think of them. He outlined 3 categories of agreements and briefed the Commission on specific agreements and how they impact state sovereignty and the consequences of being on the losing end of a trade dispute. At its meeting in Calais, Professor Stumberg spoke to the Commission about two components developing in the TPPA dealing with state-owned enterprises and domestic regulation and their respective impacts on state utilities and the regulation of tobacco. Professor Stumberg would be called upon again when the Commission began its work on the 2011 CTPC assessment. On this project, Professor Stumberg was asked to consider the developing trade agreement (TPPA) and its potential impact on state and federal policies governing tobacco regulation, pharmaceuticals and government procurement. The assessment was completed in the spring of 2012.

- **Don Tardie, Managing Director of Sales for Maine Woods Company LLC.** Mr. Tardie came before the Commission in April of 2012. He provided specific information on the soft wood lumber agreement between the United States and Canada and a chronology of events, including disputes and levy assessments, relative to that agreement. Mr. Tardie also spoke generally about future trade agreements and made recommendations to the Commission about the imposition of import duties and dispute resolution and settlement processes.

- **Nora Todd, staff, Office of Congressman Mike Michaud.** Ms. Todd spoke to the Commission in the fall of 2011 and 2012. One of Ms. Todd’s roles as the Congressman’s staff is to work with the House trade working group which comprises 4 members of Congress who advocate for fair trade. In 2011, she spoke to the Commission about the discussion of that working group and Congressman Michaud’s concerns about the Panama, Colombia and South Korea trade agreements. She also briefed the Commission on a Trade Adjustment Assistance program that was set to expire in 2011. The program provided benefits to workers who were negatively impacted by job losses due to trade agreements. In

2012, she briefed the Commission about Congressman Michaud's concerns about the TPPA and their role in trying to influence the ongoing TPPA negotiations.

- **Representative Sharon Treat, member Unites States Trade Representative Intergovernmental Political Advisor Committee (IGPAC).** Representative Treat made several presentations to the Commission and also to the public at a hearing held in Skowhegan. As a former member of the CTPC and because of her role on IGPAC, Rep. Treat was repeatedly called upon by the Commission to keep members informed about the developing Trans Pacific Partnership Agreement (TPPA) and to continuously educate the membership on the complexity of international trade agreements and their impacts on policies and important objectives established by the federal government and the states.

- **Zoltan Van Heyninge, Executive Director, US Lumber Coalition.** Through the efforts of Sen. Sherman, Mr. Van Heyninge made a presentation to the Commission by phone from Washington D.C. to discuss the U.S. Canada Softwood Lumber Agreement (SLA). He provided CTPC members with a summary of the SLA and stated his concerns that Canada has violated these agreements and supported the call by U.S. industry urging Canada to come into compliance.

III. COMMISSION ACTIONS

In addition to actions previously discussed, the Commission engaged in the following activities.

- The Commission submitted comments to the USTR regarding Mexico, Canada and Japan joining the Trans Pacific Partnership Agreement in response to a request for comments in the Federal Register. The letters stated that the inclusion of such large trading partners was largely incompatible with a trade agreement that was originally conceived from the perspective of trade between the United States and smaller Pacific-rim countries. The letters also indicated the chilling effect that such a massive trade agreement would have on state sovereignty for states like Maine that have a contiguous border with Canada. A copy of the comments submitted by the Commission may be found in **Appendix E.**

- In response to an invitation seeking public comment on a report to Congress entitled "How to Modernize and Improve the System of Regulation in the United States," from Secretary of Treasury, Tim Geithner, the Commission re-sent a letter from April of 2010. The 2010 letter was sent to Senator Christopher Dodd regarding a proposed provision in the Restoring American Financial Stability Act, which would have allowed the federal government to invalidate state insurance laws that were interpreted as being "inconsistent" with international agreements. In that communication, the Commission stated its strong opposition to this proposed abrogation of state sovereignty. Ultimately, that provision was not included in the federal legislation; a point made clear in a cover letter to Secretary Geithner. A copy of the comments submitted by the Commission may be found in **Appendix E.**

- The Commission engaged in a lengthy debate following a presentation regarding the negative aspects of the Fast Track Authority process of approving trade agreements often

employed by Congress. In response to that discussion, the Commission sent a letter to the USTR regarding the need for transparency, appropriate protection of state sovereignty and adequate congressional review in trade treaty negotiations. This letter urged the establishment of and adherence to a well-defined and more deliberative process by which trade agreements will be negotiated and approved. A copy of the Commission's letter may be found in **Appendix E**.

- The Commission sent a letter to the United States House of Representatives Ways and Means Committee regarding President Obama's trade policy agenda. This letter was similar to a letter previously sent to the USTR (see letter dated March 6th). Additionally, this letter to the Ways and Means Committee stated support for the recent stance taken by Australia opposing the inclusion of Investor State Settlement Disputes Clauses (ISDS) in the TPPA. A similar letter supporting Australia's stance against ISDS, was sent to the USTR. A copy of the Commission's letter may be found in **Appendix E**.
- The Commission contracted with Professor Bob Stumberg, Director of the Harrison Institute for Public Law and Professor of Law, Georgetown University Law Center to conduct its statutorily required biennial assessment. The Commission chose to focus on the TPPA for this assessment to offer input and analysis regarding a developing trade agreement with the hope of having some impact on TPPA negotiations. The assessment focused on 3 subjects regarding the TPPA and their possible effects on Maine: pharmaceuticals, government procurement, and tobacco regulation. A copy of the assessment can be found on the CTPC website at <http://www.maine.gov/legis/opla/citpol.htm>
- As a follow-up to the assessment, the Commission composed and sent 4 letters to the USTR. Three of those letters dealt with the topics of the assessment, tobacco, procurement, and pharmaceuticals and requested comment on the Commission's assessment relative to these topics. The fourth letter posed questions related to recent decisions by the World Trade Organization that impacted the validity of certain laws and regulations in the U.S. dealing with country-of-origin labeling. A copy of the Commission's letters may be found in **Appendix E**.
- Finally, after a phone presentation from Jean Grier (USTR Chief Procurement Negotiator) where the Commission expressed concerns about TPPA provisions regarding government procurement and the intent of the USTR to continue to consult with the states on these matters, the Commission sent a letter confirming the points made in that discussion. States were previously assured by the USTR that they will be consulted so that that they may choose whether or not to abide by certain procurement provisions in trade agreements. The Commission received further response from the USTR on the topic of procurement and other important aspects of the TPPA negotiations in the form of a letter from Ambassador Ron Kirk. A copy of the Commission's letter and the response from Ambassador Kirk may be found in **Appendix E and Appendix F**.

IV. AGENDA FOR 2013

At the end of this reporting period there will likely be a change in the leadership and membership of the Commission. Given these changes in leadership and membership, the Commission is still determining its direction for the next reporting year. The Commission's agenda will include the following efforts.

Commission is still determining its direction for the next reporting year. The Commission's agenda will include the following efforts.

- The Commission will continue its dialogue with federal, state and local entities and Maine's citizenry to advocate for improvement in the federal government's consultation with states.
- The Commission will continue to monitor international trade negotiations and elevate trade-related issues affecting Maine at the state and local levels to Maine's Congressional Delegations and to other appropriate federal entities.
- The Commission will continue to closely monitor the ongoing negotiations of the Trans Pacific Partnership Agreement and working with the representative on the USTR Intergovernmental Policy Advisory Committee to the greatest extent possible to ensure positive results for Maine people.
- The Commission will continue to meet its statutory obligations to monitor the impacts of trade agreements on state and local laws, working conditions and the environment.
- It will work to continue to provide a mechanism for citizens and Legislators to voice their concerns and recommendations and to make policy recommendations with the hope of protecting Maine's laws, jobs and the overall business environment from any negative impacts of trade agreements.