

115 STATE STREET
MONTPELIER, VT 05633
TEL: (802) 828-2228
FAX: (802) 828-2424



REP. KATHLEEN C. KEENAN, CO-CHAIR
SEN. VIRGINIA "GINNY" LYONS, CO-CHAIR
DAVID ANGER
LAWRENCE BRUCE
DAN BRUSH
ELLIOT BURG
JOLINDA LACLAIR
BRENT RAYMOND
STEVE SHEPARD

STATE OF VERMONT
GENERAL ASSEMBLY
COMMISSION ON INTERNATIONAL
TRADE & STATE SOVEREIGNTY

July 28, 2014

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

Dear Ambassador Froman

We are writing on behalf of the Vermont Commission on International Trade and State Sovereignty to express our concerns over the potential adverse impacts of the Transatlantic Trade and Investment Partnership (TTIP) on Vermont's current and proposed public health care and health insurance programs and to formally request that USTR pursue exemptions in the TTIP from market access, national treatment, investor-state dispute settlement (ISDS), and all other relevant provisions to ensure full protection for State-sponsored health care programs.

Vermont, like many other states, currently both operates and provides state funding for a broad array of health care programs, services, and benefits to its citizens through its "Green Mountain Care" initiative, including Medicaid, Dr. Dynasaur, Long-Term Care, and Prescription Assistance. These public programs, subsidized with public dollars, directly compete with private sector health care plans. In addition, Vermont has taken an active regulatory role in designing our health benefits exchange under the Affordable Care Act. The state established a state-based exchange and provides state premium and cost-sharing assistance to low and middle income Vermonters, in addition to the federal premium tax credits and cost-sharing subsidies. Unlike other states, all insurance products for the individual and small group are purchased through Vermont Health Connect.

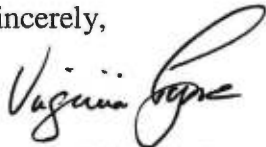
More significantly, Vermont is on track to create the nation's first publicly-financed single-payer health care system as early as 2017. This system will provide universal coverage to all Vermonters through a State-funded-and-managed publicly financed coverage program. The benefits, costs, and operations of health care will be managed through this State system, and will largely replace private health insurance. While Vermont will contract with an entity to administer the program and insurers are welcome to compete for that business, there will be an impact on private insurance companies operating within Vermont, because the market will largely consist only of supplemental insurance, not major medical plans.

Regrettably, public participation and access to draft TTIP provisions, like all other international trade negotiations, remains woefully inadequate. However, if we look to provisions of the General Agreement on Trade in Services and other multi- and bi-lateral agreements, the potential risks of TTIP on public health care systems is readily apparent. By way of example, implementation of a single-payer system could arguably violate GATS provisions regarding new monopolies (Art. VIII:4), numerical limits (Art. XVI:2(a)), and legal form of supplier (Art. XVI:2(e)); whereas expanding market-based coverage through subsidies and insurance firm regulation could violate GATS provisions concerning regulations that are more burdensome than necessary, total values limits on transactions, national treatment of foreign firms, and modifications of the conditions of competition. These concerns represent only a small fragment of the potential ramifications for public health care reform under current international agreements. Beyond these concerns, if included in the TTIP, the ISDS process used in many trade agreements could open the door for multinational corporations to seek damages from the U.S. for the *potential* loss of profits allegedly caused by health care reform.

We believe it is critical that USTR take the necessary steps in ongoing TTIP negotiations to protect public health care programs and regulation of health insurance in Vermont and other states—namely—to secure provisions within the TTIP to exempt publicly-funded-and-administered health care programs and insurance regulations from the agreement. Moreover, we request in the strongest possible terms that policy discussions and negotiating procedures be more inclusive of public officials and their experts to allow fuller participation by States.

Thank you in advance for your consideration of these important issues.

Sincerely,



Senator Virginia Lyons,
Co-Chair



Representative Kathleen Keenan
Co-Chair

cc: Governor Peter Shumlin
Congressman Peter Welch
Senator Patrick Leahy
Senator Bernie Sanders