

MAINE STATE LEGISLATURE

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**STATE OF MAINE
123rd LEGISLATURE
SECOND REGULAR SESSION**

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

October 2008

Voting Members

**Sen. Margaret Rotundo, Co-Chair
Rep. John Patrick, Co-Chair
Sen. Bruce Bryant
Sen. Kevin Raye
Rep. Jeffery Gifford
Rep. Sharon Treat**

**Ms. Sarah Bigney
Mr. Peter Connell
Ms. Carla Dickstein
Ms. Elsie Flemings
Mr. Perry Newman
Mr. John Palmer
Ms. Cynthia Phinney
Ms. Linda Pistner
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Ms. Jane Aiudi
Ms. Leslie Manning
Ms. Barbara Van BURGEL**

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EXECUTIVE SUMMARY

The Citizen Trade Policy Commission (“commission”) was established during the Second Special Session of the 121st Legislature by Public Law 2003, chapter 699 to provide an ongoing state-level mechanism to assess the impact of international trade policies and agreements on Maine’s state and local laws, business environment and working conditions. Over the past three years the commission has developed the strongest state-level democratic dialogue in the country, connecting communities to decisions being made at national and international levels. It has helped facilitate a consistent, multi-faceted engagement that connects Maine state legislators, citizens, civil society groups, and business with members of Congress and U.S. trade negotiators.

Public Law 2003, chapter 699 requires the commission to submit an annual report on its activities and conduct an annual assessment of the impacts of international trade agreements on Maine’s state and local laws and business environment. Public Law 2007, chapter 266 amended the frequency of the assessment to once every two years instead of annually. This document is the commission’s 2007 annual report and its 2007 assessment is attached as an appendix to this report.

Public Law 2003, chapter 699 also directs the commission to hold at least two annual meetings and two annual public hearings to solicit public testimony and recommendations from Maine citizens and qualified experts. For this reporting period, July 2006 through June 2007, the commission held 7 meetings and 1 public hearing. The commission was unable to hold a second public hearing in the spring of 2007 because of legislative session demands, commission member vacancies and unavoidable scheduling issues that prevented the commission from obtaining a quorum to hold a public hearing during that time. All meetings were held at the State House in Augusta, Maine and the public hearing was held in Presque Isle, Maine. As a result of those meetings and the public hearing, the commission took the following actions:

- Met with Mr. Christopher Melly of the Office of the United States Trade Representative’s (USTR) to discuss the formal process of communication between the USTR and Maine and trade related issues pertaining to Maine.
- Worked with Maine’s Congressional Delegation, the Governor’s Office, Maine’s State Point of Contact and USTR to improve and expand the consultation process with USTR and Maine officials regarding international trade negotiations.
- Developed a Joint Resolution Memorializing the Maine Delegation, the Congress of the United States and the President to Safeguard the State’s Role in International Trade Agreements and voted to introduce it into the First Regular Session of the 123rd Legislature for adoption. The joint resolution was read and adopted by Maine’s Legislature on May 31, 2007.
- In conjunction with the Forum on Democracy and Trade, a nonpartisan, nonprofit organization focused on international trade related matters, issued the commission’s 2007 annual assessment.
- Invited a number of experts on international trade to discuss trade related issues with the commission.

- Submitted legislation to the 123rd First Regular Session of 123rd Legislature (LD 1519– An Act to Amend the Staffing and Reporting Requirements for the Citizen Trade Policy Commission) to amend the commission’s membership and reporting requirements. LD 1519 was enacted as Public Law 2007, chapter 266 on June 8, 2007.

In its first year of existence, the commission created three subcommittees to focus on the broad policy areas of natural resources/environment, healthcare and labor/economic development for analysis. These subcommittees continued to support the commission’s work throughout the period of this report by analyzing complex areas of international trade and reporting their findings to the full commission. Subcommittees also worked closely with the Forum on Democracy and Trade to conduct its 2007 assessment.

Over the next reporting period, the commission will continue its dialogue with federal, state and local entities and Maine’s citizenry to ensure international trade issues affecting Maine at the state and local levels are effectively elevated to the federal level. The commission will continue to track and weigh in on trade agreements when appropriate and will help develop a northeast regional network of states to strengthen Maine’s ability to influence US negotiating strategy and the implementation of existing agreements. In particular, the commission will work with Maine’s Congressional Delegation and other states to enhance the federal government’s consultation process with states, to weigh in on the reauthorization of the Trade Promotion Authority (Fast Track) and the Trade Adjustment Assistance program that was created to extend unemployment compensation benefits and provide job training for workers adversely affected by trade.

In June 2007, the Maine State Legislature appropriated to the commission additional funding of \$30,000 for Fiscal Year 2007-2008 and \$30,000 for Fiscal Year 2008-2009. This funding will be used to support and expand the commission’s efforts.

I. INTRODUCTION

The Citizen Trade Policy Commission was established during the Second Special Session of the 121st Legislature by Public Law 2003, chapter 699. It was later amended by Public Law 2007, chapter 266 to change the frequency of the commission's assessments and to replace the designee from the Department of Economic Development with a designee from the Maine International Trade Center. The member that served as the designee for the Department of Economic Development is the same person now serving as the designee for the Maine international Trade Center. A copy of Public Law 2007, chapter 699 and Public Law 2007, chapter 266 are attached as **Appendix A**. The 22-member Commission included 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's membership roster is attached as **Appendix B**.

The commission was established to provide an ongoing state-level mechanism to assess the impact of international trade policies and agreements on Maine's state and local laws, business environment and working conditions. Specifically, the commission was charged with 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.

The commission initially convened on October 6, 2004, and held eight meetings and two public hearings before June of 2005 (See First Annual Report of the Citizen Trade Policy Commission, November 2005). During its 2005-2006 reporting period the commission held 6 meetings and 2 public hearings (See Second Annual Report of the Citizen Trade Policy Commission, November 2006) and 7 meetings and 1 public hearing during its 2006-2007 reporting period (See Third Annual Report of the Citizen Trade Policy Commission, November 2006). In this reporting period, July, 1, 2007 through June 31, 2008, the commission held 7 meetings and 1 public hearing.

By statute the commission is required to conduct a biennial assessment of the impacts international trade agreements are having on Maine's state and local laws and business environment. The commission issued an assessment in February 2007. A copy

of that assessment and prior assessments and reports can be obtained through the Office of Policy and Legal Analysis or online at <http://www.maine.gov/legis/opla/citpol.htm>. The commission will issue its next assessment in the fall of 2009.

II. MEETINGS

During the 2007-2008 reporting period, the commission held seven meetings on the following dates: September 6, 2007; October 4, 2007; November 1, 2007; January 25, 2008; March 21, 2008; May 16, 2008; and June 20, 2008. Summaries of these meetings are attached as **Appendix C**.

In general, the commission used these meetings to work with the United States Trade Representative (USTR) to improve channels of communication between Maine and USTR, to discuss on-going trade negotiations, to continue exploring the impact of international trade on Maine's businesses, labor force, healthcare system and the environment and to coordinate its efforts with Maine's Congressional Delegation, state officials and other entities involved with international trade. In addition, the commission regularly invited guest speakers to its meetings to provide information on trade issues relevant to the commission's work. During this reporting period the commission invited the following guest speakers to attend its meetings.

- Ms. Tiffany Moore, Assistant U.S. Trade Representative for Intergovernmental Affairs & Public Liason.
- Kay Wilkie, Chair, Intergovernmental Policy Advisory Committee to the United States Trade Representative.
- Brian Crowley, President, Atlantic Institute for Market studies. To read Dr. Crowley's presentation (and to view the slides) before the Citizen Trade Policy Commission on June 20th, 2008, please go to the following websites:
Blurb: <http://www.aims.ca/aimslibrary.asp?ft=3&id=2198>;
Talk- <http://www.aims.ca/library/AtlanticaAugusta.pdf>
Slide show- <http://www.aims.ca/library/AtlanticaAugustaSlides.pdf>
- Leo Broderick, Vice-chair of Council of Canadians.
- Peter Riggs, Executive Director, Forum on Democracy and Trade, a non-profit organization based in New York, met with the commission in person and by conference call on numerous occasions to provide timely, nonpartisan trade related information.
- William Warren, Georgetown University School of Law, briefed the commission on trade matters including the Trade Promotion Authority (Fast Track), Trade Adjustment Assistance, domestic regulation of consumer products containing lead and the application of certain trade agreements to water extraction in Maine.

III. PUBLIC HEARINGS

Throughout the commission's history it has relied on community involvement at its public hearings to gather information and identify trade issues at the local level in order to communicate and elevate those issues to the state, federal and international levels. Typically, the commission holds one public hearing in the fall or early winter and a second one in late spring. However, because this is an election year the commission opted to postpone its spring public hearing until October 2008 in order to hold the public hearing in conjunction with a possible "candidate's forum" on international trade. The commission believes this type of forum, if successful, will be the first of its kind in the nation and will allow the public to directly engage candidates for and members of Maine's Congressional Delegation and representatives from the presidential campaigns on their positions with regard to international trade agreements. The commission held its fall public hearing in South Portland at the South Portland Community Center on February 21, 2008. Previous public hearings were held in Bangor (February 2005), Portland (April 2005), Houlton (November 2005), Lewiston (May 2006) and Presque Isle (November 30, 2006).

Unlike prior public hearings, the South Portland public hearing was designed not only to solicit information from the public but to provide an opportunity for Maine's Congressional Delegation (only Congressman Michael Michaud was able to attend), state legislators representing the region, the Commissioner of the Department of Economic Development and a select panel of academics to provide information and field questions about the effects international trade agreements are having on Maine. The South Portland hearing was attended by approximately 42 members of the public.

The testimony received at the South Portland public hearing was generally in favor of international trade. However, testimony was given in opposition to many aspects of the current trade regime and numerous examples were given of how these agreements are negatively impacting Maine as well as the environment and workers in other countries. Congressman Mike Michaud, Professor Andreas Waldkirch (Colby College), Professor Leiby (University of Maine at Orono) and Stephano Tijerina (UMO PhD student) gave brief presentations at the public hearing regarding the proposed Columbian Free Trade Agreement and international trade in general. A summary of the testimony received at the South Portland public hearing is attached as **Appendix D**. Summaries of all the commission's public hearings can be found on its webpage at <http://www.maine.gov/legis/opla/citpolsums.htm>

IV. COMMISSION ACTIONS

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

- The commission notified Maine's Congressional Delegation and Governor Baldacci that it opposed the proposed U.S. –Columbian Free Trade Agreement based on public testimony received at the commission's February 21, 2008 public hearing and after determining that the agreement would be unfavorable to the people of Maine, the United States and Columbia. The March 24, 2008 letter notifying the Maine's Congressional Delegation is attached as **Appendix E**.
- As a result of the People's Republic of China's challenge to Maryland's proposed legislation to regulate lead in consumer products, the commission posed the following questions USTR: 1) what agency/entity within the U.S. federal government is responsible for notifying WTO member nations of state legislation; 2) how often such notification occurs and 3) what mechanism or process is used to monitor state legislation. USTR responded that state legislatures remain fully empowered to take action to protect the public and that the WTO notification system normally requires USTR to provide notification on federal agency regulations but not federal or state legislative proposals. USTR explained the state legislative proposals were inadvertently included in its notifications and that steps would be taken to prevent its reoccurrence. The commission's April 22, 2008 letter to USTR and USTR's May 19, 2008 response is attached as **Appendix F**.
- The commission advised USTR of its concerns about recent GATS negotiations and in particular, the draft language proposed by the chair of the WTO's Working Party on Domestic Regulations that appeared to shift the constitutionally-protected "rational basis test" for state regulation to a much more restrictive standard of "not more burdensome than necessary to ensure the quality of the service." The commission also expressed concerned about draft language that could restrict a state's ability to adopt standards that may be different from those advanced at the federal level. In general, the commission urged USTR to continue to preserve the prerogative of state legislative bodies to regulate all aspects of services. The June 6, 2008 letter to USTR is attached as **Appendix G**.
- The commission participated in the first New England Regional Meeting of state trade commissions and interested officials in Portsmouth, New Hampshire on November 18 -19, 2007. The meeting was designed to allow New England state trade organizations to collaborate on issues related to international trade in order to enhance each state's ability to participate in the negotiation and implementation of trade agreements. The meeting was attended by members from the Vermont Commission on International Trade and State Sovereignty, the New Hampshire Citizen Trade Policy Commission and legislators and government officials from Massachusetts, New Jersey and Vermont. Notes of the meeting provided by the Forum on Democracy and Trade are attached as **Appendix H**
- The commission met with the Maine International Trade Center's board on December 6, 2007 to discuss each entity's role regarding international trade and

how to best work together to ensure Maine can avail itself of the economic opportunities afforded by trade agreements while minimizing the negative impacts.

- The commission organized a Legislative outreach effort to inform joint standing committees of the Legislature about how international trade agreements may impact matters within their jurisdiction. The commission arranged for Peter Riggs, Executive Director, Forum on Democracy and Trade to give presentations to legislative committees about how trade can and does affect matters within the subject matter jurisdiction of that committee.
- The commission continued working with Maine's Congressional Delegation, the Governor's Office and USTR to improve and expand the consultation process with USTR and Maine officials regarding international trade negotiations.

V. AGENDA FOR NEXT YEAR

During the next reporting period, the commission will continue its dialogue with federal, state and local entities and Maine's citizenry to improve the federal government's consultation process with states and to help elevate international trade issues affecting Maine at the state and local levels to Maine's Congressional Delegation and other appropriate federal entities. The commission will continue to monitor and evaluate trade agreements and it will work with other entities to help create a strong network of state trade commissions and officials to strengthen each state's ability to influence the United States' negotiating strategy and the implementation of existing agreements.

APPENDIX A

Authorizing Legislation; Public Law 2003, chapter 699 and Public Law 2007, chapter 266

APPROVED

CHAPTER

MAY 10 '04

699

BY GOVERNOR

PUBLIC LAW

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND AND FOUR

H.P. 1337 - L.D. 1815

An Act To Establish the Maine Jobs, Trade and
Democracy Act

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §12004-I, sub-§79-A is enacted to read:

<u>79-A.</u>	<u>Citizen Trade</u>	<u>Legislative</u>	<u>10 MRSA</u>
<u>Trade</u>	<u>Policy</u>	<u>Per Diem</u>	<u>§11</u>
	<u>Commission</u>	<u>and Expenses</u>	
		<u>for Legislators/</u>	
		<u>Expenses Only</u>	
		<u>for Other</u>	
		<u>Members</u>	

Sec. 2. 10 MRSA c.1-A is enacted to read:

CHAPTER 1-A

INTERNATIONAL TRADE AND THE ECONOMY

§11. Maine Jobs, Trade and Democracy Act

1. Short title. This section may be known and cited as
"the Maine Jobs, Trade and Democracy Act."

2. Definitions. As used in this section, unless the
context otherwise indicates, the following terms have the
following meanings.

A. "Commission" means the Citizen Trade Policy Commission established in Title 5, section 12004-I, subsection 79-A.

B. "Trade agreement" means any agreement reached between the United States Government and any other country, countries or other international political entity or entities that proposes to regulate trade among the parties to the agreement. "Trade agreement" includes, but is not limited to, the North American Free Trade Agreement, agreements with the World Trade Organization and the proposed Free Trade Area of the Americas.

3. Purposes. The commission is established to assess and monitor the legal and economic impacts of trade agreements on state and local laws, working conditions and the business environment; to provide a mechanism for citizens and Legislators to voice their concerns and recommendations; and to make policy recommendations designed to protect Maine's jobs, business environment and laws from any negative impact of trade agreements.

4. Membership. The commission consists of the following members:

A. The following 17 voting members:

(1) Three Senators representing at least 2 political parties, appointed by the President of the Senate;

(2) Three members of the House of Representatives representing at least 2 political parties, appointed by the Speaker of the House;

(3) The Attorney General or the Attorney General's designee;

(4) Four members of the public, appointed by the Governor as follows:

(a) A small business person;

(b) A small farmer;

(c) A representative of a nonprofit organization that promotes fair trade policies; and

(d) A representative of a Maine-based corporation that is active in international trade;

(5) Three members of the public appointed by the President of the Senate as follows:

(a) A health care professional;

(b) A representative of a Maine-based manufacturing business with 25 or more employees; and

(c) A representative of an economic development organization; and

(6) Three members of the public appointed by the Speaker of the House as follows:

(a) A person who is active in the organized labor community;

(b) A member of a nonprofit human rights organization; and

(c) A member of a nonprofit environmental organization.

In making appointments of members of the public, the appointing authorities shall make every effort to appoint representatives of generally recognized and organized constituencies of the interest groups mentioned in subparagraphs (4), (5) and (6); and

B. The following 5 commissioners or the commissioners' designees of the following 5 departments who serve as ex officio, nonvoting members:

(1) Department of Labor;

(2) Department of Economic and Community Development;

(3) Department of Environmental Protection;

(4) Department of Agriculture, Food and Rural Resources; and

(5) Department of Human Services.

5. Terms; vacancies; limits. Except for Legislators, commissioners and the Attorney General, who serve terms coincident with their elective or appointed terms, all members are appointed for 3-year terms. A vacancy must be filled by the same appointing authority that made the original appointment. Appointed members may not serve more than 2 terms. Members may

continue to serve until their replacements are designated. A member may designate an alternate to serve on a temporary basis.

6. Chair; officers; rules. The first-named Senate member and the first-named House of Representatives member are cochair of the commission. The commission shall appoint other officers as necessary and make rules for orderly procedure.

7. Compensation. Legislators who are members of the commission are entitled to receive the legislative per diem and expenses as defined in Title 3, section 2 for their attendance to their duties under this chapter. Other members are entitled to receive reimbursement of necessary expenses if they are not otherwise reimbursed by their employers or others whom they represent.

8. Staff. The Office of Policy and Legal Analysis shall provide the necessary staff support for the operation of the commission. After one year, the commission shall assess the need for and qualifications of a staff person, for example, an executive director. If the commission determines that it requires such a person, it may request additional funds from the Legislature.

9. Powers and duties. The commission:

A. Shall meet at least twice annually;

B. Shall hear public testimony and recommendations from the people of the State and qualified experts when appropriate at no fewer than 2 locations throughout the State each year on the actual and potential social, environmental, economic and legal impacts of international trade agreements and negotiations on the State;

C. Shall conduct an annual assessment of the impacts of international trade agreements on Maine's state laws, municipal laws, working conditions and business environment;

D. Shall maintain active communications with and submit an annual report to the Governor, the Legislature, the Attorney General, municipalities, Maine's congressional delegation, the Maine International Trade Center, the Maine Municipal Association, the United States Trade Representative's Office, the National Conference of State Legislatures and the National Association of Attorneys General or the successor organization of any of these groups. The commission shall make the report easily accessible to the public by way of a publicly accessible site on the Internet maintained by the State. The report must contain

information acquired pursuant to activities under paragraphs B and C;

E. Shall maintain active communications with any entity the commission determines appropriate regarding ongoing developments in international trade agreements and policy;

F. May recommend or submit legislation to the Legislature;

G. May recommend that the State support, or withhold its support from, future trade negotiations or agreements; and

H. May examine any aspects of international trade, international economic integration and trade agreements that the members of the commission consider appropriate.

10. Outside funding. The commission may seek and accept outside funding to fulfill commission duties. Prompt notice of solicitation and acceptance of funds must be sent to the Legislative Council. All funds accepted must be forwarded to the Executive Director of the Legislative Council, along with an accounting that includes the amount received, the date that amount was received, from whom that amount was received, the purpose of the donation and any limitation on use of the funds. The executive director administers any funds received.

11. Evaluation. By December 31, 2009, the commission shall conduct an evaluation of its activities and recommend to the Legislature whether to continue, alter or cease the commission's activities.

Sec. 3. Staggered terms. Notwithstanding the Maine Revised Statutes, Title 10, section 11, subsection 5, the appointing authorities for the original appointments of public members of the Citizen Trade Policy Commission shall designate their first appointment for a one-year term, their 2nd appointment for a 2-year term and any other appointments for a 3-year term. An initial term of one or 2 years may not be considered a full term for purposes of limiting the number of terms for which a member may serve.

Sec. 4. Appropriations and allocations. The following appropriations and allocations are made.

LEGISLATURE

Legislature

Initiative: Provides funds for the per diem and expenses for members of the Citizen Trade Policy Commission as well as public

hearing and general operation expenses. A base allocation in the amount of \$500 is included below in the event outside sources of funding are received for this purpose.

General Fund	2003-04	2004-05
Personal Services	\$0	\$1,320
All Other	0	11,050
General Fund Total	<hr/> \$0	<hr/> \$12,370
 Other Special Revenue Funds	 2003-04	 2004-05
All Other	\$0	\$500
Other Special Revenue Funds Total	<hr/> \$0	<hr/> \$500

PUBLIC Law, Chapter 266

SIGNED on 2007-06-08 - First Regular Session - 123rd Legislature

LR 1617

Item 1

**An Act To Amend the Membership and Reporting Requirements
for the Citizen Trade Policy Commission**

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 10 MRSA §11, sub-§4, ¶B, as enacted by PL 2003, c. 699, §2, is amended to read:

B. The following 5 4 commissioners or the commissioners' designees of the following 5 4 departments and the president or the president's designee of the Maine International Trade Center who serve as ex officio, nonvoting members:

- (1) Department of Labor;
- ~~(2) Department of Economic and Community Development;~~
- (3) Department of Environmental Protection;
- (4) Department of Agriculture, Food and Rural Resources; and
- (5) Department of Human Services.

Sec. 2. 10 MRSA §11, sub-§9, ¶C, as enacted by PL 2003, c. 699, §2, is amended to read:

C. Shall every 2 years conduct an ~~annual~~ assessment of the impacts of international trade agreements on Maine's state laws, municipal laws, working conditions and business environment . The assessment must be submitted and made available to the public as provided for in the annual report in paragraph D;

Sec. 3. 10 MRSA §11, sub-§9, ¶D, as enacted by PL 2003, c. 699, §2, is amended to read:

D. Shall maintain active communications with and submit an annual report to the Governor, the Legislature, the Attorney General, municipalities, Maine's congressional delegation, the Maine International Trade Center, the Maine Municipal Association, the United States Trade Representative's Office, the National Conference of State Legislatures and the National Association of Attorneys General or the successor organization of any of these groups. The commission shall make the report easily accessible to the public by way of a publicly accessible site on the Internet maintained by the State. The report must contain information acquired pursuant to activities under ~~paragraphs~~ paragraph B and may contain information acquired pursuant to activities under paragraph C;

Sec. 4. 10 MRSA §12 is enacted to read:

§ 12. Quorum

For purposes of holding a meeting, a quorum is 11 members. A quorum must be present to start a meeting but not to continue or adjourn a meeting. For purposes of voting, a quorum is 9 voting members.

APPENDIX B

Citizen Trade Policy Commission Membership List

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Citizen Trade Policy Commission (on-going)
Public Law 2003, Chapter 699

Appointment(s) by the Governor

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Representing Small Business'

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Maine Fair Trade Campaign
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Representing Nonprofit Organizations Promoting Fair Trade Policies

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Representing Small Farmers

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pbn@atlanticagroup.com

Representing Maine-based Corporations Active in International Trade

Appointment(s) by the President

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Members of the Senate

Peter N. Connell, President
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Representing Maine International Trade Center

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APPENDIX C

Citizen Trade Policy Commission Meeting Summaries

Citizen Trade Policy Commission

Thursday, September 6, 2007

Room 126, State House, Augusta

9:00 AM Commission Meeting

Meeting Summary

Members present:, Sen. Margaret Rotundo (co-chair), Rep. John Patrick (co-chair), Sen. Bruce Bryant, Rep. Jeffery Gifford, Carla Dickstein, John Harker (standing in for Jane Aiudi), Leslie Manning, Wade Merritt, Cynthia Phinney and Matt Schlobohm.

Staff present: Curtis Bentley, Legislative Analyst.

- I. Bill Warren, Forum on Democracy and Trade** – Provided an update on recent developments involving international trade and provided suggestions about areas the commission may want to focus on over the next year. More specifically:
- Mr. Warren stated that with the lapsing of the Trade Promotion Authority, Maine and other states are in a good position to weigh in on what future free trade agreements (FTAs) look like. One option could be to establish a national commission like Maine's commission to audit countries to ensure they are meeting the standards they have agreed to meet;
 - There appears to be an "agreement deal" between the two congressional parties and the White House regarding free trade agreements (however, there is no legislative language yet) that may include enforceable core labor standards, enforcement of environmental laws through trade agreements, authority for under-developed countries to produce generic drugs in cases of emergency and would include the "no greater rights" principle (no more substantive rights than other investors have in the country). It is likely that the "deal" would only apply prospectively;
 - Mr. Warren stated that the Peru FTA is "on ice" because Peru has one of the worst labor records regarding unions and the Korean FTA while economically important, has significant opposition in Congress and will be dead on arrival if beef and automobile issues are not resolved;
 - Mr. Warren believes that significant reform of the Trade Adjustment Assistance program will fall on the next president. Mr. Warren pointed out that that program is widely criticized on both sides of the political isle because it is considered an administrative nightmare and has complex eligibility requirements;
 - States need some mechanism to weigh in on trade related issues such as giving states pre-trade agreement consultations like Congress, where states would be briefed before negotiations and outlines are in place or a state/local oversight group could be created to provide for pre-agreement consultation as well as consultation during negotiations;
 - Mr. Warren said that USTR has withdrawn its gambling commitment and now other countries can ask for compensation for the withdrawal of the gambling

commitment but it is not clear what is being requested during behind-closed-door negotiations; and

- National Governor's Association recently adopted lobbying position on trade and federalism issues that calls for consultation process and additional resources for TAA but doesn't endorse Fast Track of any FTA specifically. Mr. Warren stated that Maine is in an exceptionally good position to affect negotiations within NGA.

Rep. Patrick asked Mr. Warren to provide written documents for TAA and any other FTA. Mr. Warren responded that he would after the Forum determined what drafting assistance it could provide focusing on the commission's priorities.

- II. Commission's review of draft work plan for FY 07-08.** The draft work plan was generally agreed upon by members however, suggestions were made to focus on particular areas of free trade such as TAA or TPA.
- III. Commission's budget for FY 07-08 and 08-09.** Commission members reviewed its budget in light of the additional \$60,000 available to the commission over the next two fiscal years. Sen. Rotundo stated that the money should be used to achieve something tangible as provided in the draft work plan. The commission directed staff to work with the chairs about funding an administrative position.
- IV. Subcommittees.** Commission agreed to have subcommittees review the three topic areas of focus they have work on in the past and the Commission's latest assessment to see if there is a need to continue to focus on these areas and report back at the next meeting.
- V. Public hearings.** The commission agreed to hold its next public meeting in the south western part of the state in November and to invite Maine's Congressional delegation to attend for a round table discussion after the public hearing. Also discussed possibly holding the second public hearing in Machias in May 2008.
- VI. Regular meeting dates.** The commission agreed to try and hold its regular meetings on the first Thursday of every month and that the October meeting would be held on October 4th starting at 9:00AM.
- VII. Adjournment.** The commission adjourned its meeting at approximately 1:00 PM.

Citizen Trade Policy Commission

Thursday, October 4, 2007

Room 126, State House, Augusta

9:00 AM Commission Business Meeting

Meeting Summary

Members present:, Sen. Margaret Rotundo (co-chair), Rep. John Patrick (co-chair), Sen. Bryant, Rep. Jeffery Gifford, Rep. Treat, Linda Pistner, Carla Dickstein, Jane Aiudi, Leslie Manning, Wade Merritt, Cynthia Phinney and Matt Schlobohm.

Staff present: Curtis Bentley, Legislative Analyst.

- I. Administrative position** – The commission continued discussions from the last meeting regarding contracting with someone to provide administrative support for the commission. The commission voted unanimously to have the chairs work with staff to develop a contract to hire an administrative position for no more than 2 days per week and for not more than \$20,000 annually. The chairs will brief the commission on the hiring process at the next meeting.
- II. Northeast Regional Meeting** - Peter Riggs (Forum on Democracy and Trade) provided the commission with an update on his efforts to set up the northeast regional meeting. Mr. Riggs suggested that the best vehicle for impacting congress on trade issues is likely the Trade Promotion Authority reauthorization. He also stated that focusing our efforts on congress and not USTR would be the most effective at this point in time. The regional meeting is scheduled for the second week in November, probably the 18th and 19th and will be in southern New Hampshire or Boston. Mr. Riggs stated that the Forum would take care of the organization and logistics of the meeting but paying for the meeting still needs to be determined; the Forum would be able to provide matching funds. Rep. Patrick suggested that the Forum narrow its draft agenda for the meeting so participants won't get bogged down in too many topics. The chairs and staff will work to develop a budget for the items on the work plan including attending NE regional meetings.
- III. Vacancies** – Sen. Rotundo updated the commission on filling vacancies. Sen. Rotundo announced that Perry Newman was officially appointed to the commission to represent small businesses. The commission considered a number of possible candidates and Sen. Rotundo said that an invitation had been extended to several candidates and she was waiting for a response.
- IV. Subcommittees** – Sen. Rotundo directed subcommittees to meet and discuss the current subcommittee structure and whether or not the subcommittees should continue to meet.

- V. **Public hearing** – Staff briefed the commission on recent efforts to secure a locality for the next public hearing. Availability and cost were an issue for localities in Gorham and Portland that were identified at the last meeting. Commission members provided additional locations that may be suitable for the commission’s public hearing and directed staff to continue working on securing a forum. Staff also updated the commission on efforts to get commitments from Maine’s Congressional delegation to attend the next public hearing and round table discussion in November. As of the meeting date, none of the congressional delegation could confirm or rule out attending a public hearing the last week of November. Commission members directed staff to continue efforts to find a date when all or most of the Congressional Delegation could attend a CTPC public hearing.
- VI. **Governor** - The commission directed staff to contact Jack Cashman, the point of contact for the Governor’s office on trade matters, to invite him to the commission’s next regular meeting.
- VII. **Outreach efforts** – Leslie Manning briefed the commission on options for effectively getting information from the commission to the public and information about trade related issues from the public. Suggestions included targeted surveys, commission hosted programs on cable access TV, civic engagements at public educational institutions particularly high schools, and working with retirees as they tend to be more politically active. Commission agreed to have chairs and staff work with Leslie Manning to integrate her ideas into a work plan. Sen. Rotundo asked commission members to think about what persons or positions to invite to a regular meeting and bring back names at the next meeting.
- VIII. **Annual report** – The commission voted unanimously to accept the draft November 2007 annual report of the commission.
- IX. **Draft letter regarding Peru Free Trade Agreement** - The commission voted unanimously to have staff ready a draft letter to Maine’s Congressional Delegation containing the commission’s position on a potential Peru FTA should negotiations on that agreement begin to move forward in Congress.
- X. **New Hampshire trade organization meeting** – Matt Schlobohm informed the commission that the N.H. trade commission will be meeting on October 22nd and that they had ask Mr. Schlobohm if someone from the commission would be able to attend the meeting. Cynthia Phinney suggested she may be able to attend and would work with Mr. Schlobohm in setting it up.
- XI. **Next meeting** - The next meeting date was set for November 2nd (Friday)
- VII. **Adjournment.** The commission adjourned its meeting at approximately 12:00 noon.

Citizen Trade Policy Commission

Thursday, November 1, 2007

Room 126, State House, Augusta

9:00 AM Commission Business Meeting

Meeting Summary

Members present:, Sen. Margaret Rotundo (co-chair), Rep. John Patrick (co-chair), Rep. Treat, Linda Pistner, Jane Aiudi, Leslie Manning, Malcolm Burson, Cynthia Phinney, Matt Schlobohm, Paul Volckhausen, Peter Connell and Perry Newman.

Staff present: Curtis Bentley, Legislative Analyst.

- I. Jack Cashman, Governor's advisor on trade policy** – The commission provided Mr. Cashman with information about the commission and what it had accomplished since its inception and conveyed its interest in maintaining a close relationship with the Governor's Office. Mr. Cashman provided his background information and praised the commission for its work over the past three years. Mr. Cashman expressed his and the Governor's willingness to work with the commission to address trade related issues and asked that the commission provide notice well in advance of its meetings so that he can better attend those meetings. He also stated that Karla Black is still monitoring information coming from USTR for the Governor's Office.
- II. Northeast Regional Meeting** – Leslie Manning stated that she will make arrangements for a van to transport members to the meeting. The commission asked staff to contact Peter Riggs of the Forum on Democracy and Trade about hotel arrangements.
- III. Subcommittees** – Sen. Rotundo directed subcommittees to meet and discuss the current subcommittee structure and whether or not the subcommittees should continue to meet. The environmental subcommittee reported that it should meet on an ad hoc basis when warranted.
- IV. Public hearing** – Staff briefed the commission on recent efforts to secure a locality for the next public hearing and the responses from Maine's Congressional Delegation regarding the commission's invitation to attend one of the public hearings. Staff reported that Sen. Collins and Sen. Snowe could not attend a public hearing the last week of November and could not identify a time that they would be available at this point. Commission agreed to postpone the next public hearing to provide adequate time for public notice and to organize the meeting. For scheduling purposes, the commission agreed to hold the next public hearing on January 16,

2008, and directed staff to look for accommodation for this date and to ask the New Hampshire trade commission and Maine's Congressional Delegation to attend.

- V. **Outreach efforts** – Leslie Manning agreed to integrate her suggestions into the commission's work plan and send it to commission members via the internet for review. The commission agreed to formally discuss the Ms. Manning's suggestions at the next regular meeting of the commission. The commission also discussed having Peter Riggs meet with policy committees to discuss trade agreements in January because he will already be in Maine giving a presentation at Bates College. The commission directed staff to work with committee analysts and chairs to make arrangements for Peter Riggs to meet with the committees during the week of January 16, 2008. The chairs agreed to talk to Peter Riggs about doing a local access TV spot of questions and answers with commission members, the Governor and Maine's Congressional Delegation. It was also agreed to have Peter Riggs provide new members of the commission with basic primer on international trade agreements.
- VI. **New Hampshire trade organization meeting** – Rep. Patrick and Cynthia Phinney reported on the New Hampshire Trade Commission's first meeting. They reported that the meeting was very positive and an on-going invitation was extended to CTPC's members to attend any future meetings of the NH commission. Based on the success of CTPC's public hearings, the NH commission planned to hold public hearings even though it is not mandated to do so by its enabling statute.
- VII. **Next meeting** - The next meeting date was set for December 6th (Thursday) at 11:00AM in the transportation committee room and at 12:30PM the commission would meet with the board of the Maine International Trade Center for lunch at the Senator in Augusta and then hold a joint meeting of the two entities after lunch. The health care subcommittee will hold a meeting prior to the full commission at 10:30AM.
- VIII. **Academic resources** – The commission directed staff to research academic resources in Maine that could be helpful to the commission and to compile a list of names and contacts.
- VII. **Adjournment.** The commission adjourned its meeting at approximately 11:30AM.

Citizen Trade Policy Commission
Friday January 25, 2008
Room 206, Cross State Office Building

9:00 A.M. Commission Business Meeting

Meeting Summary

Members present: Sen. Margaret Rotundo, Senate Chair, Rep. John Patrick, House Chair, Sen. Kevin Raye, Sen. Bruce Bryant, , Rep. Jeffery Gifford, Elise Flemings, Michael Burson , John Palmer, Leslie Manning, Wade Merritt, Sarah Bigney, Malcolm Burson, Paul Volckhausen, Wade Merritt, and John Palmer

Guest Speakers: Peter Riggs, Forum on Democracy & Trade; and Kaye Wilkie, Chair, Intergovernmental Policy Advisory Committee, and as Director of International Policy, New York State, Department of Economic Development

Staff present: Curtis Bentley, Legislative Analyst and Judy Gopaul.

- I. Colombia Free Trade Agreement** – Peter Riggs discussed the politics, pros and cons of the Colombia FTA. (See Attachment). Mr. Riggs thought that the president would send the bill to Congress sometime in March, however, he felt that there was not much support for the agreement. Kay Wilkie gave a brief history of IGPAC, her role in the IGPAC. She also spoke about the Antigua internet-gambling case. Ms. Wilkie also gave her view on the agreement, that the majority of the provisions in the Colombia FTA were similar to NAFTA – not a fair agreement. She suggested that states should engage in the free trade policy process, think proactively about how states can build capacity to influence federal policy.
- II. Action to be taken:** The Commission agreed to delay their decision and vote on the Colombia FTA until they had an opportunity to hear testimony from Maine citizens at the public hearing on February 21st, 2008. It was agreed that the commission would meet after the public hearing to discuss and vote on what action should be taken – whether to send a letter with the commission's and Maine citizen concerns to the Maine delegates and Governor Baldacci.
- III. Legislative Document 2096** – After discussion, the commission decided that it could not make a decision on the support the bill in its present form, further discussion was needed. The commission asked that Representative Patrick clarify that the bill was being introduced by him and not from the commission.
- IV. Subcommittees** – Time did not permit for a discussion on this matter.

- V. **Public Hearing** - Confirmation on the February 21, 2008 public hearing. Venue would be South Portland Community Center, 21 Nelson Street, So. Portland, ME. Commencing at 6:00 p.m. Invitations will be sent to the Maine Congressional delegation, Maine senate and house members, business owners, and experts in international trade, NAFTA and Latin American Trade and the media.
- VI. **Next Meeting** - A request was made to hold future CTPC general meeting on the third Friday of every month. The meeting is to commence at 9:00 a.m. when the legislature is in session and at 10:00 a.m. when not in session.
- VII. **Adjournment.** The commission adjourned its meeting at approximately 2:00PM.

Citizen Trade Policy Commission

Friday May 16th, 2008

Transportation Committee Room

10:00 A.M. Commission General Meeting

Meeting Summary

Members Present: Chair, Senator M. Rotundo, Rep. Sharon Treat, Elise Flemings, Rep. Jeffery A. Gifford, Jane Auidi, Sarah Bigney, Malcolm Burson, Linda Pistner, Paul Volckhausen, Carla Dickstein, Elsie Flemings, Cynthia Phinney, Linda Pistner, and Perry Newman.

Staff present: Curtis Bentley, Legislative Analyst and Judy Gopaul, Policy Assistant.

Guest Speakers: Representing USTR was Ms. Tiffany Moore, Assistant U.S. Trade Representative for Intergovernmental Affairs & Public Liaison. Representing the Forum on Trade and Democracy were Robin Lunge and William Warren.

UPDATES:

- I. United States Trade Representative** (via conference call) – Ms. Moore reported that forty percent of the U.S. economic growth came from exports and that the U.S. would continue its policy on increasing its exports and to advance the World Trade (WTO) Organization's Doha Development Agenda in the areas of agriculture, industries and services sectors. She also spoke of the U.S. commitment to the Colombia Free Trade Agreement and its continued negotiations and discussions with China on the trade issues relating to intellectual property, market access and auto parts. Ms. Moore stated that a response to the Commission's letter of April 23, 2008 requesting information on USTR/WTO notification protocol was forthcoming. On the issue of China's objection to the Maryland's "lead in children's toys" bill, Ms. Moore stated that USTR notified China about that bill by mistake, because of a glitch in their electronic database that monitors federal agency regulations (not federal and state legislation) and notifies foreign governments of pending federal regulations for transparency purposes. She didn't think that China would continue to pursue the matter and that even if China did its claims as stated in its letter were without merit. This electronic database is managed by the, National Institute of Standards and Technology (NIST), and is a non regulatory federal agency within the U.S. Department of Commerce. Ms. Moore stated that USTR has been working on rectifying this problem so that it never happens again. Ms. Moore stated that China's objection should have been made through WTO's customary channels and not made directly to Maryland. She asserted that Maryland's proposed law should not be impacted by trade agreements because it dealt with the protection of human health and

safety. Ms. Moore assured the commission that the USTR was committed to ensuring the safety of imported goods and its citizens, and that the administration's policy on domestic regulations and the sovereignty of the states to exercise its legislative powers has been consistent. Ms. Moore disagreed with the notion that state laws can be challenged under trade agreements and felt states could continue to regulate domestic matters as states have traditionally done.

- II. Forum on Trade and Democracy** – Robin Lunge and William Warren. Briefed the Commission on NCSL's continued debate on the Columbia FTA and stated that there is a major effort to get state support for the agreement. William Warren also briefed the Commission on the current activities regarding the regulation of lead in consumer products by states. He said that a challenge to these law may be based on grounds that they violate WTO agreements on technical barriers and that they are not the least restrictive way to prevent exposure to unsafe levels of lead in toy
- III. Representative Sharon Treat** – Representative Treat attended the National Conference of State Legislatures' 2008 Spring Forum in Washington, D.C. She Representative Treat reported that the Colombia Free Trade Agreement resolution on was voted down – seven (7) against, four (4) in favor and one (1) abstention. Representative Treat distributed copies of the commissions' letter objecting to the Colombia Free Trade Agreement and copies of the summary of the testimonials made at the February 21, 2008 CTPC public hearing in Portland, ME., to the twelve (12) legislative members and other NCSL conference attendees. Representative Treat commented that the Ambassador for Colombia and other White House officials were in attendance at this forum.
- IV. Update GATS letter to USTR** – Because the Chair of the Working Party of Domestic Regulations recently released a 4th draft of proposed rules, the Commission directed staff to update the Commission's 2006 letter to USTR regarding an earlier draft of the proposed disciplines to address ongoing concerns on the issues of transparency, state authority and other issues raised by the new draft. On the issue of transparency, Linda Pistner offered to look at Maine's Administrative Procedures Act (APA) to ascertain whether Maine meets the terms of the new proposed transparency obligations provided in the Chairman's fourth draft.
- V. Future direction of Commission** - Commission members agreed to set aside a meeting in the fall to talk exclusively about what is the most effective way for the Commission to continue its work. Members also agreed that a facilitator would ensure that the meeting is as productive as possible. Discussed scheduling the meeting for half a day in early September and directed staff to work with Commission members to find an appropriate date.
- VI. Maine's newly enacted law regarding lead in consumer products:** Specifically, An Act To Protect Children's Health and Environment from Toxic Chemicals in Toys and Children's Products Chapter (Public Law 2007) Sec. 1.38 MRSA §1609 et.seq., sub §10.

Staff provided the Commission with an update on bills that were before the Second Regular Session of the 123rd Legislature that addressed lead in consumer products.

- VII. Guest Speaker for June 20th, 2008 Meeting:** On the recommendation of Perry Newman, the commission extended an invitation to Brian Crowely, Ph.D., the founding President of the Atlantic Institute for Market Studies (AIMS), to speak on the Atlantica “project.” AIMS is Atlantic Canada's public policy think tank.
- VIII. Public Hearing** – To be discussed at the next general meeting. Members were to provide possible dates (early in October) for the hearing. It was also suggested that invitations to attend this public hearing be extended to the Maine Congressional delegation.
- IX. Next Meeting:** June 20th, 2008 scheduled for 10:00 a.m. in the Transportation Committee Room, #126.
- X. Adjournment:** The commission adjourned its meeting at approximately 12.10 a.m.

Citizen Trade Policy Commission

**Friday 20th June 2008, 10:00 A.M.
Transportation Committee Room, Augusta**

Meeting Summary

Members Present: Rep. John Patrick, House Chair, Sen. Kevin Raye, Representative Sharon Treat, Elise Flemings, Michael Burson, Leslie Manning, John Palmer, Linda Pistner, Sarah Bigney, Paul Volckhausen, Perry Newman, and Matt Schlobohm.

Staff Present: Judy Gopaul

I Presentation by Guest Speakers:

A. Brian Crowley. Mr. Crowley is the founding President of the Atlantic Institute for Market Studies (AIMS), Atlantic Canada's public policy think tank. Dr. Crowley spoke about the concept of Atlantica and the economic benefits it would have for Maine. He stated that the key to diversifying the region's markets and promote economic growth is to improve the transportation infrastructure through southern New Brunswick and through Maine to the other New England states.

To read Dr. Crowley's presentation (and to view the slides) before the Citizen Trade Policy Commission on June 20th, 2008, please go to the following websites:

Blurb- <http://www.aims.ca/aimslibrary.asp?ft=3&id=2198>;

Talk- <http://www.aims.ca/library/AtlanticaAugusta.pdf>

Slide- <http://www.aims.ca/library/AtlanticaAugustaSlides.pdf>

B. Leo Broderick. Mr. Broderick is the Vice-Chair of Council of Canadians and is a community activist, past president of the PEI Teachers' Federation and former vice-president of the Canadian Teachers' Federation. Mr. Broderick emphasized that Scott Sinclair,* one of Canada's top trade analyst, opined in his analysis of Atlantica, that it would be implausible – “an unwise idea” and have serious detrimental effects on the environment and Atlantic Canada. Mr. Broderick added that the proposed transportation corridor would have little economic benefit outside of Halifax.

Mr. Broderick stated that Atlantica only attempts to create a super port in Halifax (Nova Scotia) as the major port of entry for imports from India and China. From there, imports would be transported to the heartland of the United States, with Maine being simply a pass-through. He stated that Atlantica is at the forefront of this endeavor, and that the Canadian government has appropriated \$2.1 billion (Cnd) for the gateway proposal. He also stated that a similar scheme, “Pacifica,” was also being promoted on the west coast (Canadian) ports. These ports were already making improvements to increase their capacity. Also, the expansion of the Panama Canal is already well underway. Mr. Broderick stated that a study conducted by CIBC World Market Inc. found that

globalization is in reverse because of high energy prices. The study also stated that there would be fewer and fewer container ships bringing goods from China and India, and there will be a resurgence of more factories along the American Mexico border. Atlantica is not a feasible project, and any the potential benefit may only be realised in Asia.

*Scott Sinclair's analysis, *Atlantica, Myths and Reality* can be found at:
http://www.policyalternatives.ca/documents/National_Office_Pubs/2007/Atlantica.pdf

II Set Dates for Regional and public meetings and commission workshop:

The commission members were given possible dates for the Regional Northeastern States Meeting – (September 11, 12, 13, 18, 19, 20). The commission suggested that the next public hearing might be held between October 1- 15, 2008, so that the four congressional delegates could participate in a round table discussion. Staff is to inquire from the delegates whether they would be able to participate in such a forum and to provide the commission with dates that would be convenient to the delegates. Bangor has been suggested as a possible venue for the next public hearing. The commission was asked to submit possible dates in September for the commission discussion/workshop on the strategic direction of the commission.

III International Water Trade - Kennebunk/Nestle Agreement

William Warren, Georgetown University School of Law, provided the commission with an analysis of the issues. Mr. Warren discussed the Kennebunk Nestle proposed agreement and the implications of such an agreement on trade, in particular on whether the GATS agreement would have an impact on water policy generally. A transcript of Mr. Warren's discussion will be available on the CTPC website.

A copy of the Kennebunk/Nestle agreement was provided to the commission. For more information on water trade issues please visit: Forum on Democracy and Trade at: <http://www.forumdemocracy.net/article.php?list=type&type=120>

IV *Removing WTO Barriers to Our Climate Change Solutions* - Public Citizen's Global Trade Watch June 19th, 2008 tele-conference.

During the tele-conference, Todd Tucker, Research Director, of Global Trade Watch, raised the question of how do WTO rules limit state and federal climate policy and what can be done about it. Tucker discussed state climate initiatives, possible WTO threats to these important innovations, and how state officials can safeguard their policy-making authority. He also stressed that states should collaborate and build consensus on climate control policies and protection and to continue to put pressure on the federal government to make the necessary changes. For more information on this topic please visit: <http://www.citizen.org/documents/PresidentialWTOreport.pdf>. The report is titled *Presidential Candidates' Key Proposals on Health Care and Climate Will Require WTO Modifications Overreach of WTO Highlighted by Potential Conflicts with Candidates' Non-Trade Proposals*.

V Other Comments:

1. The Commission's June 16 2006 GATS letter was updated and was sent out on June 2, 2008. A copy of this letter has been uploaded to the commission's website.
2. Linda Pistner will present her analysis to the commission on whether the Maine's Administrative Procedure Act meets the new transparency obligations proposed by the Chairman's fourth draft of proposed disciplines under GATS, at the July 18, 2008, CTPC meeting.

VI Invitation:

The commission was invited to participate in a conference call on GATS Domestic Regulations on July 15, 2008.

VII Next Meeting: Will be held on July 18, 2008 at 10:00 A.M. in the Transportation Committee Room #126.

VIII Audio Presentation Available: Audio file of Dr. Crowley's, Mr. Broderick's, and William Warrens' presentation will be available on the CTPC website.

IX Website Video Available : This meeting was video taped by Martha Spiess and is available at www.maineairtrade.org. The top line June 20 link is the William Warren phone assessment to the commission

X Adjournment: The commission adjourned the meeting at approximately 1:45 pm

APPENDIX D

Summary of Testimony Received at the South Portland Public Hearing

Maine Citizen Trade Policy Commission (CTPC)
Public Hearing
South Portland Community Center
February 21, 2008
Summary

Members Present: Sen. Margaret Rotundo, Senate Chair, Rep. John Patrick, House Chair, Sen. Bruce Bryant, Sen. Kevin Raye, Rep. Jeffery Gifford, Malcolm C. Burson, Peter Connell, Carla Dickstein, Elsie Flemings, John Palmer, Leslie A. Manning, Cynthia Phinney, Linda Pistner, Sarah Bigney, Matt Schlobohm, Paul Volckhausen,

Guest Presenters: Professor Andreas Waldkirch, Colby College, Professor Jim Leiby, University of Maine, Stefano Tijerina, Ph.D. candidate, University of Maine.

Other Guests: Congressional Rep. Michael Michaud, State Senator Ethan Strimling, Rep. Jane Eberle, and Commissioner John Richardson.

Media: Anne Ravana, reporter, Bangor Daily News (Article on hearing published Feb. 22, 2008); Channel 2, Martha Spiess, videographer (the commission will be notified of the airing date and time) Richard Rhames; Jessica Alainio, reporter for an online website, www.politickermc.com. Headline: *Commission reviews trade deal's affects on Maine business*. This site also has video clips of the presenters.

Citizens Present: 42

Who gave testimony: 17

Opening Remarks: Rep. Jane Eberle

Presenters Remarks:

Congressman Mike Michaud: mentioned that he did visit Colombia and that the human rights issues must be considered. Congressman stated: "It's time we step back and see what trade agreements have done to these countries, and change that model."

Professor Andreas Waldkirch (Colby College): He is opposed to the Colombia FTA. Although trade agreements are beneficial in some capacities, they are extremely selective and contribute to the upper redistribution of incomes. the way these agreement s are written it is not for everyone to have free trade; they have provisions that tend to expose those that are at the lower rung of the economic ladder to increases competition, and to protect those at the other end of the ladder.

Professor Leiby (University of Maine at Orono): "What we call free trade agreements tend to be restricted," "[P]eople will lose jobs because of trade agreements." Professor Leiby also commented on the complexities of this and other free trade agreements. He did not have a strong opinion about the Colombia FTA.

Stephano Tijerina (UMO PhD student): Trade deals are primarily political – duo political hemispheric security interest in the region. Consider the proximity to another South American country – Venezuela. Consider also Canada’s interest as well; Canada also wants to sign a bilateral agreement with Colombia. Canada usually follows the U.S. in these agreements.

Public Testimony

General points that many people made:

- The effects of NAFTA have been devastating on Mexico and Maine- loss of jobs, lower wages, etc. This will continue with more NAFTA style agreements like the Colombia FTA.
- Since NAFTA there has been increased immigration. If Colombia passes, there will be more increased immigration from there as more farmers can’t make a living.
- This is a failed trade model. We need a new model for trade agreements, Maine people are opposed to this entire package deal of job off-shoring, agricultural consolidation, small farmers forced off their land, small businesses closed, and investor-state rights that allow corporations to challenge local laws and sue states or countries because their laws are “barriers to trade.”
- The floor price of basic agriculture crops would be eliminated in Colombia should the FTA pass, and that would force farmers off their land, or force them to grow cocaine, or to join paramilitary groups, or to migrate to the U.S.
- Colombia leads the world in murders of trade union leaders and has a terrible and violent human rights record in many different cases.

Martha Spiess - Peace Works, Greater Brunswick:

Ms. Spiess submitted a report *Under the Umbrella of U.S. Hegemony: Canada and Colombia head towards a Trade Deal*. Ms. Spiess was video tapping the hearing and thus was unable to present the findings in this report. Copy available.

Victor Skorapa (Retired physician):

Need for a public health perspective in trade. Spoke about CPATH (Center for Policy on Trade and Health) and presented a report from CPATH for the commission to read entitled “The U.S.-Colombia Trade Promotion Agreement: Public Health Critique and Fixes”. Pharmaceuticals, tobacco, health insurance, alcohol, and all of these industries are represented, but public health is not. When there is a conflict between private corporate priorities and public health, we should choose public health.

Debbie Leighton:

Concerned about domestic regulation in GATS. Presented memo on proposed WTO provisions on the service sector, which would subject licensing boards, any state level public interest regulations to conform to WTO standards.

Ms. Leighton was also very concerned that, under NAFTA-style investor rights provisions, Maine could be sued if the PUC denies Nestle the right to pump water in 12 proposed aquifers in Maine.

Eric McVay:

We should reject these trade agreements due to the effect on our workers. Lay-offs have hurt Northern Maine. Also, the human rights abuses in Colombia are a huge concern.

Kathy Robertson:

Sierra Club member, spoke about the link between free trade agreements and global warming. Laws that Maine is passing to prevent global warming (like CAFÉ standards and RGGI) could be subject to WTO or NAFTA challenge. When companies off-shore, they do so to find locations for factories with lower environmental standards, and the greenhouse gas emissions that result are contributing to global warming.

Peter Kellman:

It's clear where the money goes, to the top 1%. Real wages for hourly paid workers are lower today than they were in 1973, and people are working longer hours. The economy is not great for the majority of people. The economy is not good under this free trade agreement model of economy.

John Connors:

This is a human issue. The people on the other side of the border are people. Union leaders are killed in Colombia, with the help of U.S. companies. "I'm not against trade; I am against what we have now." There are approximately 9 million undocumented workers in the U.S. today who can't make a living in their home countries due to these FTAs. Spoke on issue of corn- that the subsidized corn from the US makes it impossible for Mexican farmers to grow their own corn.

Under these trade agreements, wages are going down. Good trade is when everyone benefits. Today, Maine is importing more food than we make. At the same time, workers abroad are making pennies to produce goods. If they are making pennies, they won't be able to buy our goods. In the grocery store, he sees the sad eyes of the elderly who are watching the prices of food go up and up and can't afford to buy it.

The best way to pay the bills is to have good jobs. Ford knew that if he paid his workers a good wage, they would be able to buy his cars. "We've had good trade policy in the past, we don't now, but we can again".

Tracy Allen:

Policy that the U.S. is passing to prevent more global warming and pollution, like CAFÉ (Corporate Average Fuel Economy) Standards and RGGI (Regional Greenhouse Gas Initiative passed by Maine and states in the Northeast U.S.) are WTO illegal and could be challenged by foreign corporations who don't want to abide by them. The Clean Air Act was weakened because as it was written first, the U.S. would have been sued. We shouldn't be weakening our trade policy based on foreign corporations' right to profit.

John Bernard:

Fair trade product certification, one way to improve trade to be more fair, gives good examples of what priorities we should be seeking, including fair prices for products, community support for education and health care in communities, direct trade, fair working conditions, democratic and transparent organizations and trading, and environmentally sustainability. We should keep these principles in mind as we move forward to build our fair trade future. This is what trade should and can be.

Tom Ledue:

There is a need to re-negotiate trade deals, but how? We must guard against the idea of "profit" at any cost. There should be fair labor certification and green certification for every product. The status quo of trade is unacceptable. We need a profit motive for people to do the right thing, a financial incentive to do the right thing.

Pete Cavanaugh:

There is a need for truth in labeling. Raw food is labeled but processed food is not. Sometimes the labeling is misleading. The current trade model deprives people of the ability to feed themselves. We need a trade system that allows an agriculture system that is self-sustainable.

Grace Braley:

In WTO negotiations, small countries have been ignored. The U.S. trade minister ignored people, until trade ministers from small countries walked out.

Grace was in Mexico in 1994 when NAFTA began and the peso crashed. Both devastated Mexicans, especially small farmers and small businesses. A local meat shop was doing well until NAFTA passed. It closed and then was replaced by a foreign company.

Mexicans said "we miss our homes" after migrating to cities because they couldn't feel their families.

Trade is a wonderful thing but we have to start over.

Daphne Loring:

We have an incredible opportunity to replace fast track. It expired last year and will be replaced next year, hopefully, if we push for it. The commission needs to make sure that Congress, the States, and the public have a voice this time.

We should ensure that:

- Any new agreement must restore balance between Congress and the Executive branch
- Any new agreement must put in core international labor standards and an independent mechanism for enforcement
- Any new agreement must not include foreign investor rights to sue states or countries

Jim Carson:

We need to have a real discussion on what the real effects of these trade agreements are. We must put a hold on negotiating more and go back and take a look. What are the effects? What has the impact been? We need the facts. We need a time out to get evidence and evaluate, to have a thoughtful discussion and then ask what we should do next. We can't have FTAs that only work for a few. There is a lot of displacement of workers here and abroad, resulting in immigration. Let's look at these things.

Ruth Taylor:

Expert in industrial psychology, job satisfaction

The current model encourages exploitation of people for greed and profit. We need long-term job security, not low wages, poor working conditions, and child labor.

Richard Rhames (Dairy farmer from Biddeford):

When NAFTA passed, UMaine professor Melvin Burke gave a speech in Mexico City and said that immigration will increase with NAFTA. Policy-makers said it would decrease. It has clearly greatly increased. Farmers can't make a living anymore with the free trade model in agriculture. It hurts Maine farmers, and Mexican farmers.

Citizens Testimony ended approximately 8:50 p.m.

COMMISSION VOTE/ACTION: The commission met after the public hearing to discuss and vote on whether to send a letter in opposition of the Colombia Free Trade Agreement to Maine's Congressional delegation and Governor Baldacci. The commission voted unanimously to send the letter opposing the Colombia Free Trade Agreement.

ADJOURNMENT: 9:10 p.m.

APPENDIX E

**Citizen Trade Policy Commission's March 24, 2008 Letter to Maine's Congressional
Delegation Opposing the Proposed Colombian Free Trade Agreement**

Sen. Margaret Rotundo, Chair
Sen. Bruce Bryant
Sen. Kevin L. Raye
Rep. John L. Patrick, Chair
Rep. Jeffery A. Gifford
Rep. Sharon Anglin Treat

Curtis Bentley, Legislative Analyst
Judy Gopaul, Policy Assistant



Perry Newman
John Palmer
Matt Schlobohm
Paul Volckhausen
Peter N. Connell
Carla Dickstein
Sarah Adams Bigney
Elsie Flemings
Cynthia Phinney
Jane Aiudi
Malcolm Burson
Barbara VanBurgel
Leslie Manning

STATE OF MAINE

Citizen Trade Policy Commission

March 24, 2008

The Honorable Olympia J. Snowe
United States Senate
154 Russell Senate Office Building
Washington, D.C. 20510
VIA FACSIMILE & U.S.MAIL
Facsimile: 202-224-1946

The Honorable Susan M. Collins
United State Senate
413 Dirksen Senate Office Building
Washington, D.C. 20510
VIA FACSIMILE & U.S. MAIL
Facsimile: 202-224-2693

The Honorable Michael H. Michaud
United States House of Representatives
1724 Longworth House Office Building
Washington, D.C. 20515
VIA FACSIMILE & U.S.MAIL
Facsimile: 202-225-2943

The Honorable Thomas H. Allen
United States House of Representative
1127 Longworth House Office Building
Washington, D.C. 20515
VIA FACSIMILE & U.S.MAIL
Facsimile: 202-225-5590

RE: Colombia Free Trade Agreement

Dear Senator Snowe, Senator Collins, Representative Michaud, and Representative Allen,

The Maine Citizen Trade Policy Commission (commission) voted unanimously, on February 21, 2008, to oppose the U.S.-Colombia Free Trade Agreement (Colombia FTA). In general, the commission supports global trade but in light of testimony we received from Maine citizens at the February 21 public hearing and after careful consideration of the Colombia FTA provisions, it is evident to the commission that the Colombia FTA is unfavorable for the people of Maine, the U.S., and Colombia.

In 2005, in anticipation of the pending Central American Free Trade Agreement (CAFTA), the commission established the following criteria for trade agreements. The commission believes that trade agreements should:

- Promote and strengthen basic human rights, labor rights, and environmental protections; and raise standards in developing countries in order to prevent a “race to the bottom” which hurts Maine businesses, workers, and communities;
- Safeguard local and state lawmaking authority and level the playing field for small businesses in Maine and elsewhere;
- Guard against the unintended consequence of impeding access to basic human services such as education, healthcare, energy, and water; and
- Be negotiated in a public and transparent manner.

Although the Colombia FTA was designed to strengthen Colombia’s civil society and to open its markets to economic opportunities with the U.S., we believe that it does not meet the above standards for a free trade agreement, and will result in an overall negative impact on our economies, our environment, and on working conditions.

Unfortunately, many of the flawed provisions in the North American Free Trade Agreement (NAFTA), which does not meet the commission’s standards for a trade agreement, are also contained in the Colombia Agreement.

The Colombia FTA would continue to expand investor rights of foreign corporations by allowing them to challenge democratically established laws. This can force countries and states to weaken their environmental, labor and public health laws, among others, to avoid the potential of costly litigation thereby giving foreign corporations undue influence in shaping domestic public policy. The commission has established opposition to these investor-state rights and continues to oppose this infringement on state sovereignty.

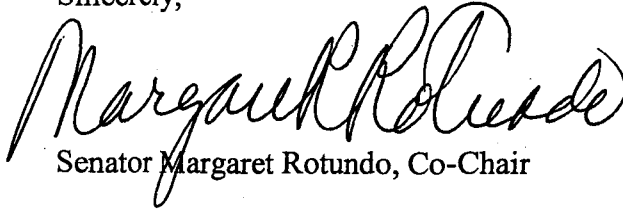
At our recent public hearing, we repeatedly heard testimony expressing concerns over Colombia’s human rights record. It was stated that more union leaders are murdered in Colombia than the rest of the world combined. These human rights violations are alarming and are grounds to reject the Colombia FTA.

Another specific concern raised at the public hearing regarding the Colombia FTA is the removal of the floor bans on basic agricultural crops that are currently in place to protect small farmers from bankruptcy. Leaders in the Andean region have warned that these agricultural rules would displace thousands of small farmers – as we saw in Mexico after the passage of NAFTA. The loss of farming jobs in Colombia will likely push many families into the migration flow. Colombia is the top producer of cocaine representing 2/3 of the world supply. If this FTA were ratified, it would displace thousands of Colombian peasant farmers, which could lead to increased coca production and violence.

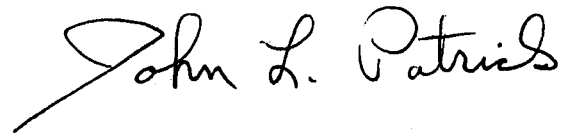
On behalf of the citizens of Maine, the Maine Citizen Trade Policy Commission urges you to oppose the Colombia Free Trade Agreement. The commission has stated many times in the past that we support international trade because we recognize the multitude of benefits that can be derived from global trade. We cannot support the adoption of the Colombia FTA,

because it absolutely fails to promote fair trade and sustainable economic growth in the U.S. and abroad, and adoption of its provisions would send the message to the world that cheap labor, no matter what the social costs, should be rewarded.

Sincerely,

A handwritten signature in cursive script, appearing to read "Margaret Rotundo".

Senator Margaret Rotundo, Co-Chair

A handwritten signature in cursive script, appearing to read "John L. Patrick".

Representative John Patrick, Co-Chair

CC: Governor John E. Baldacci

APPENDIX F

Citizen Trade Policy Commission's April 22, 2008 Letter to the United States Trade Representative and the United States Trade Representative's May 19, 2008 Letter in Response to the Commission's Letter

Sen. Margaret Rotundo, Chair
Sen. Bruce Bryant
Sen. Kevin L. Raye
Rep. John L. Patrick, Chair
Rep. Jeffery A. Gifford
Rep. Sharon Anglin Treat

Curtis Bentley, Legislative Analyst
Judy Gopaul, Policy Assistant



Perry Newman
John Palmer
Matt Schlobohm
Paul Volckhausen
Peter N. Connell
Carla Dickstein
Sarah Adams Bigney
Elsie Flemings
Cynthia Phinney
Jane Aiudi
Malcolm Burson
Barbara VanBurge
Leslie Manning

STATE OF MAINE

Citizen Trade Policy Commission

April 22, 2008

Ambassador Susan C. Schwab
United States Trade Representative
Office of the United States Trade Representative
600 17th Street N.W.
Washington, DC 20508

VIA FACSIMILE:(202) 395-3692
& U.S. MAIL

Re: Requesting information on USTR and WTO Procedures

Dear Ambassador Schwab:

The Maine Citizens Trade Policy Commission (commission), established by the Maine Legislature and charged with monitoring and analyzing the impact of trade agreements on the State of Maine, requests information about the process by which the U.S. federal government informs the World Trade Organization (WTO) of impending state legislation.

This issue came to our attention after the People's Republic of China (PRC) challenged legislation proposed by Maryland (House Bill 8) to regulate lead in toys and other products likely to be handled by children. We were alarmed by the fact that the PRC appeared to be applying pressure on the Maryland General Assembly to not pass this law. The commission members feel this is an absolutely unwarranted intrusion into the decision-making processes of states.

China's complaint raises several questions regarding the procedure by which the U.S. notifies the WTO about pending state legislation. In particular, the commission requests information regarding: 1) what agency/entity within the U.S. federal government is responsible for notifying WTO member nations of state legislation; 2) how often or how routinely such notification occurs; and 3) what mechanism or process is used to monitor state legislation.

Finally, we seek information as to why the WTO was notified of impending state legislation. We fully understand that the federal government has a requirement to notify the WTO of new legislation passed at federal or state levels. But given that thousands of proposed bills are advanced through state legislatures in any given year, of which only a fraction are eventually passed into law, it seems unusual that China would have been notified about a bill prior to its consideration in the General Assembly. This raises questions about possible 'selective notification', as well as unwarranted intrusion by foreign interests into state lawmaking practices.

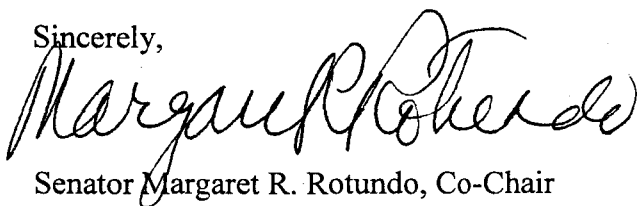
In addition, Maryland House Bill 8 has brought to our attention the fact that, unlike other WTO agreements, the Technical Barriers to Trade (TBT) does not have a 'general exception' regarding "the protection of human life and health." The commission is very concerned that the right of a sovereign state government to enact legislation to protect the life and health of its citizens is being challenged under this WTO agreement.

This is of significant concern because it is the role of the state government to protect the health and safety of our citizens. Maine citizens are alarmed that products, especially children's toys, contain harmful toxins like lead that put consumers and workers at risk, and indeed Maine is considering legislation not dissimilar to that proposed in the state of Maryland. We are aware of several other states in a similar position, and are very concerned about how those efforts may be impacted by statements or complaints issued by foreign governments, such as the PRC's complaint regarding Maryland's House Bill 8.

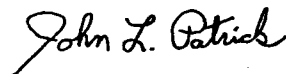
The commission will hold their next general meeting on May 16th, 2008, at 10:00 a.m. and would like to extend an invitation to you to participate in this discussion, via phone link, at this meeting.

The commission would appreciate a written response to our inquiry from your office by May 9th, 2008. Thank you for your help with this matter and we look forward to your response.

Sincerely,



Senator Margaret R. Rotundo, Co-Chair



Representative John L. Patrick, Co-Chair

CC: Senator Susan Collins
Senator Olympia Snowe
Representative Michael Michaud
Representative Tom Allen

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

MAY 29 AM 7:44

MAY 19 2008

The Honorable Margaret R. Rotundo
Co-Chair
The Honorable John L. Patrick
Co-Chair
State of Maine, Citizen Trade Policy Commission
100 State House Station
August, ME 04333

Dear Senator Rotundo and Representative Patrick:

Thank you for your letter of April 22, 2008, regarding the process of notifying the World Trade Organization of proposed U.S. regulations and the communication received by the State of Maryland from the government of China on proposed legislation to protect children from lead-containing products. Ambassador Schwab has asked me to respond to your letter. We strongly support the goal of ensuring the safety of imported goods. To this end, Ambassador Schwab has assigned a team of professionals within USTR to work with other agencies, the importing community, and our trading partners on the roadmap laid out by President Bush in the "Action Plan for Import Safety."

Let me assure you that no one in the Administration has encouraged China or any other country to intrude in the decision-making processes of state legislatures. We have been careful to ensure that our international trade agreements safeguard the right of governments to enact laws and regulations to protect human health and safety. The authority of the Maine legislature and other state legislatures to take action to protect our nation's children is beyond question.

We have also been successful in convincing other governments to follow the same kinds of fair and transparent decision-making that Maine, our other states, and the federal government apply in developing product regulations. As a result of our efforts, our key trade agreements provide a mechanism for U.S. businesses and organizations to learn of, and provide comments on, proposed regulations around the world that may affect U.S. commercial interests. The World Trade Organization includes a procedure that requires foreign governments to notify us of their proposed product regulations. This procedure makes it possible for the many small businesses in Maine that sell their products in foreign markets to receive notice of, and submit comments on, proposed foreign regulations.

These kinds of transparency procedures are reciprocal, of course, and we notify other governments of proposed U.S. product regulations as well. While foreign governments and companies may seek to comment on our proposed regulations – as they are free to do anyway in this country – our states and the federal government remain fully empowered to take action needed to protect the public.

Senator Margaret Rotundo
Representative John L. Patrick
Page Two

The WTO notification system normally calls for us to notify proposed agency regulations rather than federal or state legislative proposals. U.S. notifications occur quite routinely; last year, we notified more than 100 proposed measures to the WTO. The National Institute of Standards and Technology (NIST), which provides U.S. notifications, monitors the U.S. Federal Register on a daily basis for proposed federal agency measures, and an electronic database for proposed state measures. We learned several months ago that our notifications had inadvertently included certain state legislative proposals. We have since asked NIST to ensure that it is not inadvertently notifying state legislative proposals in the future.

Thank you again for your letter. Please contact our office if you have any other questions.

Regards,

A handwritten signature in black ink, reading "Tiffany M. Moore". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Tiffany M. Moore
Assistant U.S. Trade Representative
For Intergovernmental Affairs and Public Liaison

cc: Senator Susan Collins
Senator Olympia Snowe

APPENDIX G

Citizen Trade Policy Commission's June 6, 2008 Letter to the United States Trade Representative Concerning Recent Negotiations Under the General Agreement on Trade in Services

Maine Citizen Trade Policy Commission



Senator Margaret Rotundo, Co-Chair

Representative John Patrick, Co-Chair

June 6, 2008

Christopher Melly, Director, Services Trade Negotiations
Daniel Watson, Director, Services Trade Negotiations
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Dear Mr. Melly and Mr. Watson:

We are writing to you on behalf of the Maine Citizens Trade Policy Commission. The Commission is a public body created by an act of the Maine Legislature to examine both the economic opportunities for the State of Maine provided by the expanding number of trade agreements to which the U.S. is party, and also the possible impacts of new trade disciplines on U.S. federalism, particularly as they pertain to Maine's ability to regulate in the public interest. With this in mind, the Commission has taken a particular interest in the on-going negotiations pertaining to the General Agreement on Trade in Services (GATS). We are writing to you today to update our June 16, 2006 letter regarding GATS negotiation to address recent developments by the Working Party on Domestic Regulations (WPDR) regarding proposed disciplines for U.S. commitments under GATS.

1. Negotiations on "domestic regulation" in the WTO's Working Party on Domestic Regulation. The WPDR has been asked to develop binding rules for implementation of GATS Article VI.4, to ensure that regulations are "not more burdensome than necessary to ensure the quality of the service." We have previously expressed our concerns that the creation of a test of "burdensomeness" or "necessity" could shift the standard for regulation away from the constitutionally-protected "rational basis test" to one which is far more restrictive of state authority. We have also have communicated our concern that limiting regulations to those necessary to "ensure the quality of the service" would preclude a whole range of non-discriminatory policies that seek to protect broader public interest in relation to the provision of that service. We are pleased to see that the text of the WPDR Chair's fourth draft does not contain the "necessity test" language. We greatly appreciate you efforts to remove that language from the latest draft of proposed disciplines. However, as cited above, GATS Article VI.4 still contains the "necessity test" language and we are concerned that unless the text of the proposed disciplines contains language that essentially "turns off" the existing "necessity test" language in

GATS it may still be the overall purpose of the disciplines.

We are extremely concerned about the deletion of deference to sub-federal policy objectives as legitimate exercises of the “right to regulate.” The Chair’s second draft included both national and subnational objectives within the right to regulate, but the third and fourth drafts reverted to only national objectives. This deletion could restrict the ability of states to adopt standards that may be different than those advanced at the federal level. The restriction of this ability is entirely unacceptable and strikes at the heart of U.S. federalism. On this and subsequent points, we support the recommendations and analysis submitted to you by the Intergovernmental Policy Advisory Committee (IGPAC).

With these concerns in mind, we urge USTR to:

- Continue to reject any proposal brought before the WPDR for consideration that would include a “necessity test,” and include text that would ensure that existing language in GATS Article VI.4 would not be interpreted to be the overall purpose of the proposed disciplines. This will confirm the prerogative of legislative bodies to make the final determination of what measures are “necessary” or “relevant”.
- Preserve fully the rights of states to regulate all aspects of a service, by seeking the broadest possible definition of what regulatory measures relate to the “quality of the service,” including the external impact of a service on people, commerce or the environment.
- Reject references to “national policy objectives,” or insert the following language: **“National policy objectives include objectives identified at national or sub-national levels.”**
- Continue to safeguard state oversight of professional licensing procedures and use of education/qualification requirements. We sincerely appreciate USTR’s efforts in removing some of the problematic language from the WPDR Chair’s third draft regarding professional licensing protocol.

2. Impacts of new GATS sectoral commitments on the ability of Maine to regulate the siting and construction of a Liquid Natural Gas (LNG) facility. As you know, there are several entities seeking a license from the Federal Energy Regulatory Commission (FERC) to develop on- or off-shore LNG facilities in the State of Maine. At least one of those entities includes foreign ownership. In the 2005 Energy Policy Act, Congress gave FERC authority to license LNG facility siting, while explicitly preserving state authority to review applications to site coastal facilities. The FERC describes this on its website as having preserved a “virtual veto” power for states. At the same time, however, foreign LNG suppliers have already complained (explicitly in the case of California) that the dual federal-state LNG regulatory oversight system is overly burdensome.

With this in mind, we wish to therefore remind USTR that:

- Maine has requested a carve-out from any new GATS sectoral disciplines, including those pertaining to bulk storage of fuels and pipeline transportation of fuels—both of

which would be part of any coastal LNG facility.

- States worked actively with their Congressional delegations to preserve state regulatory authority on LNG siting decisions in the 2005 Energy Policy Act, and would therefore take a dim view of any “end-around” of state authority through commitments on GATS—including new rules on domestic regulation that impose tests regarding whether particular regulations are “relevant to the supply of the services,” a discipline that remains in the Chair’s fourth draft. As you know, LNG terminals raise concerns that go well beyond the quality of natural gas services. States are concerned about coastal zone management issues that include security, environmental, commercial, scenic, historic, and recreational impact of facility siting and operations.
- We understand that while the commitment on storage facilities is still pending, USTR has officially offered this sector as part of a proposed Internet gambling case settlement with the nation of Antigua. We note that this settlement is not just about trade with Antigua; the new commitments will extend to all WTO nations. While Antigua wants gambling access, the settlement focuses on other sectors of interest to the European Commission, Japan and Canada. We understand that consultations have also included Australia, which has significant LNG interests in the U.S. market. We have serious reservations about this offer because it appears to be tantamount to an “end-around” of state authority to regulate the siting of storage facilities.

3. USTR’s continued failure to address concerns raised in previous letters from the Maine Citizens Trade Policy Commission. The lack of meaningful consultation regarding proposed new GATS commitments led us to conclude that it would be most prudent for Maine to seek a carve-out from new GATS commitments until such time as the Commission—which includes representatives from both houses of the Maine Legislature and a number of executive branch agencies, plus the Maine State Point of Contact with USTR—has had an opportunity to study the potential impacts of such new commitments on Maine’s regulatory authority. For example, in addition to storage, the proposed settlement of the Internet gambling case involves research and development, a sector in which states have extensive tax incentives and regulations that affect service suppliers. Given the lack of consultation with states on USTR’s decision to include bulk storage of fuels and research and development in the Internet gambling settlement, we believe our request for a carve-out from new GATS commitments is more urgent than ever and we re-assert that request here.

The members of the Maine Citizens Trade Policy Commission request that USTR negotiating staff brief members of the Commission regarding current negotiations in the WPDR particularly USTR’s position on the WPDR Chair’s fourth draft of proposed disciplines, USTR’s settlement offer of disciplines that encompass bulk fuel storage facilities in the Antigua gambling case, and any other issues pertaining to GATS “domestic regulation” rules or new sectoral commitments.

We appreciate the opportunity to raise these concerns with you and look forward to your earliest possible reply. If you would prefer to reply by telephone, we are happy to arrange a conference call. With very best wishes.

Sincerely,

Senator Margaret Rotundo
Co-Chair

Representative John Patrick
Co-Chair

cc: Tiffany M. Moore, Assistant USTR, Intergovernmental Affairs and Public Liaison
Patrick Kilbride, Director of Intergovernmental Affairs and Public Liaison
Maine's Congressional Delegation
Coastal States Organization
Kay Wilkie, Chair, Intergovernmental Policy Advisory Committee
William Pound, Director, National Conference of State Legislatures

APPENDIX H

Summary of the First New England Regional Meeting of State Trade Commissions

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**Notes – New England Regional Meeting, Trade & State Sovereignty
Portsmouth, N.H. / November 18-19**

Introductions

Jennifer Knauer—Woodbury College, Facilitator
Senator Jim Marzilli -- Massachusetts
Elsie Flemings – Maine CTPC, Environmental NGO seat
Senator Peggy Rotundo – Maine CTPC
Heather Ross – Leg. Director, MA State Representative Byron Rushing
Patrick Murphy – New Hampshire CTC, NH legislative staffer
Representative Sharon Treat – Maine CTPC, Director NLARx
Representative Susie Nord – NH; co-sponsored N.H. CTC legislation
John Bressler – Secretary, NH CTC; 25 years in textiles
John Palmer – Maine CTPC member
Arnie Alpert – American Friends Service Committee, N.H.; Vice-Chair, CTPC
Denise Hart – New Hampshire CTC member; Save Our Groundwater
Cynthia Phinney – IBEW 1837; Maine CTPC member
Curtis Bentley – Legislative Policy Office, Maine
Daphne Loring – Maine Fair Trade Campaign
Sara Lyons – Interned w/Maine CTPC; full-time student at U Southern Maine
Elliot Burg – Assistant Attorney General, VT; Vermont CITSS member
Senator Ginny Lyons – VT; Chair Natural Resources+Energy; Chair, Vermont CITSS
Michael O’Grady – VT Legislative Council
Sam Burr – VT Legislative Council
Greg Williams – New Jersey Office of Legislative Services; Outsourcing Commission
Leslie Manning – Maine Dept of Labor; Maine CTPC member
Bill Waren – Policy Director, Forum on Democracy & Trade
Peter Riggs – Director, Forum on Democracy & Trade
Senator Jackie Cilley – N.H.; Chair, New Hampshire CTPC; UNH adjunct faculty
Dana Eidsness – Director, International Trade Center, Vermont; member VT CITSS
 USTR State Point of Contact in Vermont

(Arriving later)

Dan Brush – Vermont CITSS

Kevin Cash – New Hampshire CTPC

+++++

First Session – Congressional Update

Bill Waren – passed out handouts, two of which are related to the presentation this afternoon. Focus on the key legislation for determining US trade policy: ‘trade promotion authority’ (TPA), formerly known as ‘fast-track.’ We expect that TPA will be substantially rewritten in 2009. This hand-out looks at the substance and process of fed-state consultation as we head into the crucial 2009 Congressional session.

Report-Out From States--

Maine. Senator Peggy Rotundo – Maine CTPC established by the legislature in 2004 to monitor trade agreements, and to provide a voice to citizens regarding what’s happening

on trade. Twenty-two member commission. We work in a bipartisan way. As a result, we have been able to find common ground on issues I didn't think possible. When we started, tried to educate ourselves; have had several visits from USTR staff; also worked with the Governor's office, so that commission not seen as a 'threat', and he had to see the relevance. We've also a lot of work with our Congressional delegation, establishing trusting relationships with their staffs, etc. Reaching out to other legislators; trying to find ways to amplify our voice on a regional basis. Funding – got a additional appropriation for \$30K/year, in order to hire staff.

Rep. Sharon Treat – the public hearings (in Maine) have been fantastic. Without really that much publicity, the outpouring of testimony—and the quality of that testimony and depth of understanding—has been remarkable.

Leslie Manning – Trade Adjustment Assistance: training \$\$ for dislocated workers. Maine has more than 20,000 workers displaced, primarily because of NAFTA. We think trade has benefits for our state and region, if it is fair. But it's not fair. TAA: the money isn't there; the training is not adequate to help people with new careers (not just *skills* retraining, but *jobs* retraining). Right now, we have to prove that the dislocations are due to trade (burden of proof on the state dept of labor). Also, TAA does not extend to service industries; and no account of the multiplier effect (\$7 from each dollar invested in a mill job). We have not waited for the feds to provide a solution. We developed our own state training fund. \$3M can be re-allocated from the trust fund for unemployment to new training. It's payroll based. We achieved three things: a) reduced payroll taxes toward unemployment; b) secured permanent part-time eligibility for unemployment; c) precedent of this training fund. Making more money available sooner, that is locally controlled. Nominal unemployment rate 4.6% overall, but dramatic geographical variation within the state.

New Hampshire. Senator Jackie Cilley – the NH Citizen Trade Policy Commission has held three meetings so far. We're in the information-gathering mode. We see the next twelve months as laying the groundwork for understanding and addressing the issues. We'll take a look at the idea of subcommittees, and developing a website. Want to do a 'road show' as well. Starting to reach out to our delegation; our two House members voted against the Peru agreement this week. Very few sources of funds, no way the General Fund is going to help us. Legislation allows for \$\$ to come in from private, other sources; but the NH Charitable Foundation board has already taken the position that if the state put the commission into being, 'so be it'—the state should fund it.

Denise Hart – I'm also concerned about funding. Let's think regionally.

Peggy – The public hearings really help to convince legislators that this stuff matters.

Vermont. Senator Ginny Lyons – Purposes of the Vermont Commission on International Trade and State Sovereignty: analyzing agreements; citizen voice; communicating to Congress; and reporting to the Governor. Members of the Commission—Senate/House co-chairs; environmental rep; Governor's office, AG's

office; labor; and two business reps. We get strong support from our Legislative Council staff. We have had one public hearing—on business competition; also preparing for hearings on agriculture, and health care. Public response has been ‘interesting’—we have to communicate the threat to state sovereignty. We’ve recorded all our public hearings, they’ve gone out on public access television. TAA is also a critical issue for us. One of the problems is that job-loss is often perceived as a ‘black mark’ against the Governor, or the administration—that’s how it’s usually heard—how to counteract that. The VT commission has a budget of \$13,000 and that helps with outreach and public hearings. We’ve passed resolutions on fast-track, and on prescription drugs. For those on the Commission, it’s a significant amount of work. We anticipate a continued focus on water and the risks of privatization. National meetings – VT staff and Commission members getting around to talk about these issues.

Elliot Burg – Powerpoint presentation, about one hour, because the basis for shorter, topic-targeted presentations that have been done at each of our public hearings. Such a powerpoint—plain-English describing some of the background—is very helpful.

Ginny Lyons – success with Congressional delegation—House Member Peter Welch voted against Peru, as did Patrick Leahy, who said, “I didn’t know.” Simple bullet points needed for why it’s important to different committees.

Leslie – VT and ME have a ‘green’ brand....so, an environmental focus works, because people really do get it. There’s a regional investment here in our ‘brand identity.’ Second, we operate on a Town Meeting basis, basic democratic control/identity. It makes us unique as states, that we can hear from displaced workers, from apple farmers, the modular home business owner, etc. We have huge movers here, and we have to be willing to take on the multinationals.

Jackie – How to manage the activities of one commission in relation to the legislature as a whole. One is the importance of establishing identity of that commission. Example of the Groundwater Withdrawal Commission—legislature will not move forward unless the commission had signed off on it. We need to be proactive in monitoring legislation that has to do with free trade agreements, getting to those legislative sponsors to talk to them about the trade commission.

Sam – One part of our challenge is finding the right message. IBM is our largest (state) employer, and of course this ripples through the legislature, ripples through the commission. The balance questions are difficult.

Peggy – We acknowledge that, and we tried to address that through balanced presentations by speakers, etc. But it has been harder to get the business community out to public hearings.

Massachusetts. Jim Marzilli – 141 Dems 39 Rs in the House; 35 D’s and 5 R’s in the Senate. We are a center of economic innovation; we create the technology in Massachusetts, and then it gets built elsewhere. Massachusetts is also a leader in

addressing international issues. Massachusetts-Burma case; divestment generally. MA Governor must seek legislative approval for procurement bindings. Overrode a Governor's veto, but there was no debate about it, thus not an opportunity for educating a broader swath of the legislature. Consensus among the elite is that trade is good, period. That said, some new issues coming up: especially energy. Regional Greenhouse Gas Initiative. Includes risks: Does RGGI implementation include legislative limitations on the suppliers that wants to sell into our market? (Canadian hydropower example). Positive (working together with Canadians, others): permitting for carbon trading. It will be limited if it's not internationalized. How can we create conformity so there's a North American-wide carbon trading market? And what's the trade-rules dimension in creating this market?

Heather Ross – Representative Rushing filed legislation to create a Commission studying international trade agreements. Rushing started filing in 2001, came after the (1996) Massachusetts-Burma law, which was challenged by the National Foreign Trade Council in 1998. Repealed the law based on federal preemption. As for the new Commission-creating bill--it was filed to committee last year, but didn't emerge; had a hearing in July of this year, but hasn't yet come out. We do have another Burma bill that's moving forward. Massachusetts also just signed the Sudan divestment bill. Rushing had a discussion with the State Point of Contact (head of MassTrade) who said, 'we don't have any money or time to look at these issues.'

Leslie – focus on those Human Rights arguments; including the ILO [Core] Labor Standards. Pelosi 'story' – understanding of slave-labor conditions was important; these issues of conscience are important. Can be reached at that level. Raising standards around enforcement.

Bill – There's no question that Massachusetts Burma law *was* out of compliance with WTO Procurement. But: be careful; you don't want the National Foreign Trade Council to be able to litigate against your divestment bills, either. And they will try to pounce on legislation that they think they can defeat through preemption or the trade rules.

Sharon – Q: even if the commission bill isn't passed, are there still opportunities for MA participation in regional actions? Gives great throw-weight....And private foundation support for a specific *project* has a better chance of success

Jim Marzilli– Council of State Governments East – maybe we should look at a project with them, possibly through the Eastern Trade Commission.

Michael O'Grady – did USTR talk to the MA legislature regarding the requirement that the General Assembly be consulted on procurement questions?

Jim – No. They only talked to the Governor (at that time, Romney), and we overrode. Amnesty + Corporate Social Responsibility were both important.

New Jersey. Greg Williams: a third of our workforce was in manufacturing; now it's less than 10%. Lots of grumbling about that in 80s/90s; thought to have a multi-state industrial retention commission, to go after those bad corporate citizens who are chasing lower social/environmental standards--but it didn't happen. Now, after a range of white-collar, call-center job losses/outsourcing, we now see a 'post-blue-collar' concern on outsourcing. Another example: pensions + investments were done by public employees; but the Governor is now pulling in private investment contractors (now 20% of total budget). Outsourcing commission is temporary, and its mandate ends this year, so we are looking to next year, what will these commissioners want to do, how will they push these issues. Progressive States Network is now doing a report on the lack of decent data on outsourcing. Governor asked for a comprehensive review of tax breaks and incentives.

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Trade Adjustment Assistance session

Bill – What happened this year? How might it impact the Democratic Party? How will affect the debate amongst three leading D candidates? Want to look forward, and look at four recent events.

1. The May bipartisan "Deal" in Congress.
 2. The passage of the Peru agreement.
 3. The non-passage of the other pending FTAs.
 4. The passage (by House) of an enhanced (in terms of funding) a new TAA bill.
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1. Closed-door session involving Baucus, Pelosi, Rangel; acquiescence of Speaker Reid and the Bush administration. It's an agreement that applies immediately to Peru-Panama, and will apply to Colombia and Korea, if other areas can be worked out. CAFTA: "50% plus one" strategy—from Karl Rove's playbook. After Dems took Congress, Treasury Secretary Paulson took the lead of saying, "let's put back together the bipartisan trade consensus that prevailed in the Clinton years." Bush made some compromises (vis-à-vis his base):
 - a) Seven multilateral environmental agreements could now be 'litigated' on a state-to-state basis. (Because U.S. not a signatory of the Biodiversity or Climate conventions, this less significant; becomes more so if the US does sign. Amongst the agreements the U.S. has signed, "CITES" (endangered species) is significant.
 - b) Bush also agreed to broad labor dispute resolution. Again, state-to-state basis, which begs the question if any country would actually bring a claim.
 - c) Some concessions on intellectual property, as well, w/respect to medicines.
 - d) And a 'nod given' to a major concerns of state/local governments on investment. Limited concession—it's in the preamble to the Peru etc. agreements; specific language that there shall be 'no greater substantive rights' given to foreign investors. But the greater 'procedural' rights of the international investor tribunals remain.

Core labor standards—the five core standards promulgated by the ILO; core standards are broadly worded: freedom of association (includes collective bargaining); elimination of

all forms of forced/compulsory labor; child labor; elimination of forms of discrimination. Because broadly worded, not clear that it would become the basis for an actual claim.

2. Passage of the Peru agreement. The Democratic Party split— 109 Yes, 116 No. Slim majority that opposed the Speaker, the leadership, and the senior committee chair, which takes some doing. The Democratic Party is trying to respond to some of its donor communities: high-tech, environment, Hollywood, etc. Obama—came out for it immediately; Clinton indicated yes then called for a time out; Edwards opposed totally.

Mike Michaud of Maine convened a briefing for Legislative Assistants just on the federalism issues; Snowe also important on Senate Finance; so, the consultation/representational issues are 'in play' in Washington. Judiciary Committee could take up these issues—Leahy could be important in this.

- 3a. Panama Agreement – currently on the back-burner because of problems with the Panamanian House Speaker; also money-laundering and tax-evasion issues.
- 3b. Colombia Agreement—geopolitics, this agreement is important; genuine appreciation for U.S. assistance to fight the insurgency; but can a D Congress possibly pass a trade agreement with a country where so many trade unionists are being killed?
- 3c. Korea FTA – this one really counts in terms of economics. 10th largest economy in the world. The agreement is not going anywhere right now because of cars and beef. Senate Finance Chair Baucus (MT)—no beef, no vote scheduled. Carmakers are also opposed. Hillary Clinton indicated her opposition to this agreement.

4. Trade Adjustment Assistance – Democratic Caucus was united in the vote; Republicans were opposed; not sufficient numbers to override a presidential veto. The good news for states is that this lets you organize on this issue between now and January 2009. Amongst the provisions put forward in this bill:

- Expands to services
- Eases eligibility requirements (but still industry-wide, and must get DOL approval)
- Authorizes a doubling of spending—but then must actually get the appropriation
- Some improvements in health care tax credit
- Community redevelopment tax credit assistance; also UI incl. part-time workers.

Leslie: Plant Notice is important. Yet, about 2/3rds of plant owners do not give notice. Maine's legislation is the model for the federal legislation—but, Maine's law provides for enforcement opportunities. Closings, or 'mass layoffs' (high number of workers (100), high percentage (<50%)—some discussion here). Lay-offs then started to be phased and scheduled with a few workers less than the threshold that triggers TAA; or would be scheduled 366 days after a previous labor-force reduction. And, was the layoff due to competition from imports, or a relocation? If it's a relocation, and to a 'friendly' country, then a different kind of adjustment program.

John Palmer: I got certified before I closed....Announcement by Sununu and Gregg that they got up to \$20,000 in training assistance – Governor Lynch has contacted 5000 companies saying ‘these people are looking for work.’

Leslie—there *is* a lot we can do. Comment on proposed rules. How can benefit structure be revised so that the ancillary benefits are also available. But we should also look at this as a region: where are the high-wage, high-benefit jobs coming to this region—if you are just retraining folks and then they move to the Southwest....? We can look at emergency grants, as well. National emergency grants will come in to heavily impacted areas. We haven’t had those discussions at a regional level, even though the impacts do fall regionally.

Greg Williams – New Jersey has allowed extended unemployment benefits.

Michael O’Grady – TAA is a way to get the state sovereignty issues on the table.

Leslie—the way that TAA gets shaped is really going to matter. With the stability in our delegations, we ought to be going after substantially more money.

Greg – TAA right now is a pretty good package; it is going to be vetoed; so not too much deliberation needed on the actual content.

Ginny – Could we get one person from each state to put heads together on TAA? Responding to ‘free trade’ legislatively at the state level; while also encouraging our Congressional delegations to do ‘good work’ on TAA.

Sharon – but isn’t TAA being ‘taken care of’—and thus less pressing for this meeting?

(Discussion ensues on changing/modifying the agenda)

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Going back to our ‘brainstorm’ list

Ginny—some big issues emerging. For some, the remedy is public education. Others, time is better spent influencing our Congressional delegation.

Peggy—I’m interested in the mechanics of how we work together. A regional structure in place so that we can respond systematically.

Elsie—I also support a ‘structural’ conversation.

Denise—I think the ‘state sovereignty’ issue really resonated during the NH debate on the (trade commission) legislation....

Jackie – We should unite issue areas with the discussion of process and structure issues—they enhance one another rather than being mutually exclusive.

Jim – *water and energy* can be used on a trade issue—commandeer existing organizations around these issues where we can the trade concerns.

Sarah L – *food safety* as a uniting issue.....

Sharon – what are the criteria we will use in developing our list of issues?

Greg -- also look at the hazards of *not* addressing something?

(Discussion on criteria for what issues to take up, and how)

Our criteria should be:

- Can we/(the region) actually do something about the issue?
- How does it affect/play out regionally?
- Is this something that Commissions can work on? How else to educate the public on these issues? (non-Commission focus)
- Where do we have points of leverage? Key committees?
- What new constituencies can we bring to this?
- Regional media attention?
- Degree of USTR resistance?
- What real resources can we bring to bear on this issue?
- Significance of an action being irreversible? How harmful?
- Does it resonate with the public?

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Monday, November 19th

Morning ‘re-direction’ from Jennifer Knauer.... What can we do at a regional level?

I would like this group to....

- be at the table when agreements are negotiated. (consultation mechanisms)
- work on energy: joint strategy for maintaining sovereignty on electricity generation and energy regulation—work on challenges to RPS, etc.
- help me (in MA) as a resource to understand what the different state commissions are working on
- regional efforts to consult national associations: CSG, NCSL, etc.
- regional effort to create a more transparency + public input into international trade agreements
- regional resources/pooling to promote a (consistent) public message
- create regional working group / “oversight structure for collaboration”
- be a regional ‘eye’ looking ahead, anticipating issues
- get other states into federal-state consultation
- share analysis of upcoming agreements; shared position statements from the commissions
- have staff support; provide support on analysis, media
- move the conversation into a proactive, worker-centered role of trade agreements,

using trade as leverage point for improving quality of life; effective labor standards, comprehensive structure

- candidate forum
- work on long-term institution building to replace/supplement IGPAC
- prevent divestment strategies from being used to support the invasion of Iran
- international solidarity component with other countries
- regional communication plan(s)
- generate a one-pager that helps people understand; widely distributed to get buy-in

Michael O'Grady – You can boil everything down into three major categories

- i. Consultation questions
- ii. regional effort on education, mentoring, staff assistance,
- iii. political initiatives

Ginny—flashpoints/resistance from particular industries—we can't ignore these

Consultation – Voice (Sharon)

- 1) Specific ask of presidential candidates on meaningful consultation
- 2) Basic principles for federal-state consultation (see list)
- 3) Review models of federal-state consultation
- 4) Listed strategies for moving forward:
 - state(s) delegation to Congress
 - organize Candidates forum
 - NCSL meeting
 - Draft Resolution
 - Letters to Governors, legislative leadership
 - Press Release

Public Messaging (Leslie)

- 1) Candidate Fora
 - Pledge for ensuring state sovereignty and quality of life
 - Q&A format to get public engaged
- 2) Legislative Resolution--
 - Labor standards;
 - health and safety;
 - fairness+democracy
- 3) New England Regional Trade Resource—w/3 objectives as above
- 4) ID specific examples from state level:
 - to public
 - to legislative leaders

Resource Bank (O'Grady) – how to improve information flow

- listserv creation

- website; clearinghouse/resource for posting of information
 - legal texts posted in a reasonably user-friendly manner

What does it cost to manage a Northeast Working Group?
And what do you name it?

Next Commission meetings: November 27th (VT)
December 6th (ME)
December 10th (NH)

By the NCSL meeting: packet of material from this meeting

Ginny: need for a press releases about the meeting, indicating what we've done here.
Also a need for a release/materials pertaining to NCSL and the reform of federal-state consultation

Jackie—willing to draft a letter saying 'this group met, here's what we talked about, highlights,' – circulate to the group – then each state could take it to their Governor etc.

Ginny -- position paper establishes principles for state consultation; for trade policy; for citizens 'sign-on'; key for defining who we are.

Bill – Most useful from this group might be to ask how NCSL's existing 'Free Trade & Federalism' policy is being implemented

Sharon—let's institutionalize the Working Group model....

PWR to do: Develop the specific options paper/ask for new designs on fed-state consult
Bill Waren to do: specific information on divestment issues
Letter/ideas for an approach to NCSL

Greg – is there any EU model to study? (What else besides Canadian model?)

Leslie – between now and the end of the year:

- 1) Press Release
- 2) Principles merged into a position paper
- 3) Report back to the Commissions
- 4) Conference call prior to NCSL meeting