

Citizen Trade Policy Commission
Wednesday, October 6, 2004
Meeting Summary

Members present: Sen. Stephen Stanley (co-chair), Rep. John Patrick (co-chair), Sen. Margaret Rotundo, Rep. Roderick Carr, Rep. Deborah Hutton, Paul Chartrand, Matt Schlobohm, Paul Volckhausen, James Wilfong, Carla Dickstein, Dr. Robert Weiss, Bjorn Claeson, Mark Haggerty, Cynthia Phinney, Elizabeth Wyman, Jim Dusch, Barbara Van Burgel, Adam Fisher, Mary Ellen Johnston, Richard Coyle

Members absent: Sen. Richard Kneeland

Staff present: Curtis Bentley, Legislative Analyst and Nicole Dube, Legislative Analyst

I. Introductions

Sen. Stanley and Rep. Patrick convened the Commission meeting and asked Commission members to introduce themselves and make introductory remarks.

II. Overview of Current Issues

The task force heard presentations from four members regarding the impact of international trade agreements on states.

James Wilfong, Former Assistant Administrator for International Trade, SBA briefed the commission on international trade issues affecting the small business community. Small medium enterprises (SMEs) currently represent approximately 96% of exporters in the United States. Mr. Wilfong noted that despite their large numbers, SMEs lack representation within the Office of the United States Trade Representative (USTR) and suggested the need to create an assistant USTR position as well as a ministry position within the World Trade Organization for small businesses. Given Maine's unique interests as a small rural state, Mr. Wilfong stressed the importance of building alliances with other states and educating the legislature, USTR and Maine's congressional delegation on these interests.

Cynthia Phinney, Organizer, IBEW 1837, briefed the Commission on the impact of international trade agreements on organized labor. There has been an increase in the migration of jobs to foreign countries where wages and living standards are lower, creating job losses and impacting the ability of union workers to negotiate effectively. Ms. Phinney noted that telephone centers are one of the fastest growing sectors in Maine and also one of the most threatened by outsourcing. She also emphasized that organized labor is just one of many factors effected by international trade agreements, noting the impact of Australia's trade agreement on its ability to provide accessible and affordable healthcare.

Matt Schlobohn, Director, Maine Fair Trade Campaign, briefed the commission on federalism and democracy issues raised by international trade agreements. The scope of current trade agreements and entities, such as WTO, NAFTA, and GATS has expanded beyond trade, to include public services, agriculture, quotas, investments, procurement, etc. NAFTA, which was enacted in 1994, has strong enforcement mechanisms with dispute resolution commissions that preempt our court system. State laws can conflict with NAFTA regulations, impacting the ability of states to self-regulate and self-govern. Mr. Scholbohn noted that NAFTA investment rules allow foreign investors to sue national governments, which is often used by large companies as a threat against states. He also provided three case studies to highlight these state/global conflicts that occur.

Bjorn Claeson, Director, PICA/Clean Clothes Campaign, briefed the commission on the impact of international trade agreements on government procurement rules. Mr. Claeson noted that international procurement rules are developed through a closed process that only allows international corporations with access to trade negotiations to participate. In September 2003, the USTR contacted Governor Baldacci and requested access to Maine's procurement markets in trade agreements currently under negotiation. In December 2003, Governor Baldacci agreed without public review or evaluation. However, due to requests by the Maine Fair Trade Campaign and other interested groups, Governor Baldacci withdrew Maine's authorization in May 2004. Mr. Claeson noted the need for future requests to be reviewed on an individual basis.

III. Scoping Out Key Policy Issues and Developing a Work Plan -- Commission Discussion

Commission members discussed their perspectives on the purpose, key policy issues and expected outcomes of the study. The task force agreed on the following next steps"

- The commission agreed to hold its second meeting during the first two weeks in November, on a date TBD by staff based on member availability.
- The commission agreed to invite outside experts to its second meeting to provide an orientation/background on international trade agreements and governance and sector issues. The commission also agreed to develop a comprehensive workplan at the second meeting.
- Potential speakers include representatives from the Forum on Trade and Democracy, UMaine, Maine International Trade Center, Small Business Exporters Association.
- Staff will copy and distribute background materials requested by Commission members.

IV. Adjournment

The Commission meeting was adjourned at 11:30 am.