

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.

Citizen Trade Policy Commission

Tuesday, November 9, 2004

Meeting Summary

Members present: Sen. Stephen Stanley (co-chair), Rep. John Patrick (co-chair), Sen. Margaret Rotundo, Sen. Richard Kneeland, Rep. Roderick Carr, Rep. Deborah Hutton, , Matt Schlobohm, Paul Volckhausen, James Wilfong, Dr. Robert Weiss, Bjorn Claeson, Mark Haggerty, Cynthia Phinney, Elizabeth Wyman, Mary Ellen Johnston, Vanessa Santarelli

Members absent: Carla Dickstein, Barbara Van Burgel, Richard Coyle, Jim Dusch, Paul Chartrand

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

I. Introductions

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

II. Forum on Trade and Democracy Presentation

Director, Peter Riggs and Jennifer Gerbasi from the Forum on Democracy on Trade (FTD) provided the commission an orientation/background on international trade agreements and governance and sector issues. The Forum on Trade and Democracy, a non-profit organization affiliated with the Georgetown School of Law, provides legal and technical assistance and networking support to states working on trade issues. They noted that Maine's Citizen Trade Policy Commission is the first state commission in the country charged with local democracy and oversight. The presentation provided the following information:

International Trading System

FTD staff first provided commission members with an overview of the international trading system, including background information on international agreements (World Trade Organization), regional agreements (NAFTA, CAFTA, FTA) and bilateral agreements (US-Australia, US-Singapore, US-Chile). New developments in trade agreements, upcoming negotiations, and key rules were also discussed.

Dispute Resolution

WTO and NAFTA dispute resolution is handled by arbitration tribunals, whose authority supercedes federal law. FTD staff noted that these arbitration tribunals have the authority to punish the United States through retaliatory trade sanctions and NAFTA's investment chapter (Chapter 11) can award unlimited monetary damages for any local government action found to be in violation of international trade agreements.

Case Studies

FTD staff provided the commission with case studies focused on six policy areas – prescription drugs (Australia FTA, GATS), agriculture (WTO), energy, water resources (GATT, NAFTA), government procurement (WTO) and gambling (GATS).

State Oversight of International Trade

The commission discussed strategies to improve state oversight of trade policies. FTD staff suggested focusing on a few key areas of concern, working with the Congressional delegation, national associations, posing questions for the USTR, participating in multi-state working groups, and convening hearings on state oversight of international trade. The group also discussed other state approaches, including

California, which has a Senate Select Committee, Washington, which has a Joint Legislative Oversight Committee, and Idaho, which has oversight from an existing standing committee on energy.

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

Commission members discussed their perspectives on the key policy issues and workplan for the Commission. Recognizing the scope of trade policy issues impacting Maine is beyond the commission's capacity, commission members decided that it would be beneficial to choose policy areas of concern on which to initially focus their work. The commission voted to form the following three subcommittees:

1. Natural Resources/Environment - Rep. Carr, Mark Haggerty, Paul Volckhausen, Bjorn Claeson, Jim Dusch, Jim Wilfong, and Mary Ellen Johnston
2. Healthcare - Rep. Patrick, Sen. Rotundo, Dr. Robert Weiss, Liz Wyman, Matt Schlobohm, and Barbara Van BURGEL
3. Labor/Economic Development. Rep. Hutton, Cynthia Phinney, Peter Connell, Vanessa Santarelli, Richard Coyle, Carla Dickstein, and Paul Chartrand

All three subcommittees will focus on four main tasks: Functional Roles in Maine, Tracking/Negotiations, Future Legislation, and Public Education. In addition, the commission agreed on the following next steps”

- The commission agreed to hold its third meeting on Tuesday, December 7th at 9:00 AM. The full commission will convene in the morning and subcommittees will meet in the afternoon.
- Subcommittees will develop individual workplans and will report back to the full commission no later than January 15th.
- The commission agreed to consider introducing legislation this legislative session that would require the Maine's state point of contact (SPOC) to the USTR to report to the Commission and the legislature.
- The commission requested additional information from staff regarding the Governor's Canadian Advisory Committee.
- The commission directed staff to draft introductory letters to the Maine Congressional Delegation, the USTR, and IGPAC.
- The commission agreed to hold a public hearing on Thursday, January 27th from 7-9 PM in Bangor. Rep. Carr agreed to make initial contact with the Husson College Business Center to check availability.

IV. Adjournment

The Commission meeting was adjourned at 3:30 pm.

Commission member, briefed the Commission on the Center and how the Commission and the Center may work together on international trade agreements.

Mr. Coyle reviewed letters from the Board of the Maine International Trade Center and Commissioner Jack Cashman of the Department of Economic and Community Development, which were addressed to the Citizen Trade Policy Commission. Mr. Coyle indicated that legislation of any kind was premature at this juncture because the work of the Commission is still in its early stages.

Senator Bryant requested that Richard Coyle provide information about requests received by the Center from people who had experienced problems involving trade agreements. Representative Hutton asked Mr. Coyle to provide information on who are the single points of contact for each state with the United States Trade Representative. Commission members agreed to focus any draft legislation on the democracy side of free trade, and not just on the business side or the export/import aspect of free trade, which is the primary focus of the Center. The Commission members agreed to put in a legislative place holder for any draft legislation for the 122nd legislature. The Committee agreed to form another subcommittee to work on draft legislation for the Commission's next meeting. Jim Dusch agreed to be point person for this subcommittee.

VI. Commission's work plan and sub-committees Senator Rotundo indicated that most work of the Commission would be done in subcommittees. Commission members agreed that subcommittees would meet to conduct their business after the regular meetings of the Commission and after public hearings, when possible. The commission then broke out into the three subcommittees to review work plans and provide a framework for the direction of the Commission. The full Commission then reconvened and each subcommittee briefed the Commission on its plans.

VII. Adjournment

The Commission meeting was adjourned at 1:30 pm.

Citizen Trade Policy Commission

Tuesday, December 16, 2004

State House, Room 127, Augusta

Meeting Summary

Members present: Sen. Margaret Rotundo (co-chair), Rep. John Patrick (co-chair), Sen. Bruce Bryant, Rep. Roderick Carr, Rep. Deborah Hutton, Matt Schlobohm, Paul Volckhausen, James Wilfong, Dr. Robert Weiss, Bjorn Claeson, Cynthia Phinney, Elizabeth Wyman, Mary Ellen Johnston, Vanessa Santarelli, Paul Chartrand, Richard Coyle, Carla Dickstein

Members absent: Barbara Van Burgel, Jim Dusch, Mark Haggerty

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

I. Introductions

Sen. Rotundo convened the Commission meeting and asked Commission members to introduce themselves and make introductory remarks.

II. Review of letters to Maine's congressional delegation

Commission members reviewed a draft letter prepared by staff to Maine's congressional delegation introducing the Commission and expressing a desire to work cooperatively with them to address Maine's needs relating to existing and developing international trade agreements. The Commission approved the draft letter with the addition of a clarifying reference to officers of the State, a list of Commission members and requested that a copy of the letter be sent to Robert Zollick at the Offices of the United States Trade Representative.

III. Public Hearing in Bangor The Commission discussed the upcoming public hearing on February 3, 2005, at the Husson Business College from 7-9 PM in Bangor. The Commission determined that the purpose of the public hearing would be to inform the public about the Commission and its goals and to receive input to guide the Commission's work especially on the upcoming negotiations on CAFTA.

IV. Press release and letters to the editor The Commission asked staff to put together a press release providing notice of the Bangor meeting and highlighting the work of the Commission. Commission members suggested that the chairs and other members write letters to the editor to publicize the Bangor public meeting and the work of the Commission.

V. Central American Free Trade Agreement The Commission directed staff to contact the Forum on Democracy to arrange a presentation on the Central American Free Trade Agreement. Commission members agreed to generate a list of concerns about CAFTA and send them to the USTR and Maine's congressional delegation.

VI. Draft Legislation In response to the draft legislation circulated in preparation for this meeting, Richard Coyle, Executive Director of the Maine International Trade Center and