



**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  
Mr. Matt Schlobohm  
Mr. Paul Volckhausen**

**Staff**

**Curtis Bentley, Legislative Analyst  
Natalie Haynes, Legislative Analyst  
Office of Policy & Legal Analysis  
Maine Legislature  
(207) 287-1670  
<http://www.state.me.us/legis/opla>**

**Advisory Members**

**Mr. Wade Merritt  
Mr. Malcolm Burson  
Ms. Jane Aiudi  
Ms. Leslie Manning  
Ms. Barbara Van BURGEL**

## Table of Contents

	<b>Page</b>
<b>Executive Summary</b> .....	i
<b>I. Introduction</b> .....	1
<b>II. Meetings</b> .....	2
<b>III. Public Hearings</b> .....	5
<b>IV. Commission Actions</b> .....	6
<b>V. Agenda for Next Year</b> .....	7

### Appendices

- A. Authorizing Legislation; Public Law 2003, chapter 699 and Public Law 2007, chapter 266
- B. Citizen Trade Policy Commission Membership List
- C. Citizen Trade Policy Commission Meeting Summaries
- D. Citizen Trade Policy Commission Public Hearing Summary
- E. March 24, 2008, letter to Maine’s Congressional Delegation and Governor Baldacci regarding the proposed United States - Columbian Free Trade Agreement
- F. May 19, 2008, letter to the United States Trade Representative regarding People’s Republic of China’s challenge to Maryland’s legislation regarding lead in consumer products
- G. June 6, 2008, letter to the United States Trade Representative regarding the ongoing negotiations under the General Agreement on Trade and Services
- H. Notes from the first meeting of the New England states’ trade commissions.

## I. INTRODUCTION

The Citizen Trade Policy Commission was established during the Second Special Session of the 121<sup>st</sup> 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 Liaison.
- 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 20<sup>th</sup>, 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 Orno) 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.