

Citizen Trade Policy Commission

**Friday September 17, 2010, 9:00 A.M.
State House, Transportation Committee Room (Rm 126) Augusta**

MEETING SUMMARY

Members present: Rep. Margaret Rotundo, Rep. Sharon Treat, Rep. Gifford, Linda Pistner, Malcolm Burson, Wade Merritt, Carla Dickstein, Sarah Bigney, John Patrick, Cynthia Phinney, Paul Volckhausen, Joseph Woodbury and John Palmer.

Rep. Rotundo's letter to Ambassador Kirk (USTR) Rep. Rotundo briefed the commission on the letter she drafted to send to Ambassador Kirk as a follow up to statements he made about investment provisions in international trade agreements. A copy of the letter will be placed on commission's webpage.

Maine International Trade Center (Janine Bisailion-Cary) Ms. Bisailion-Cary gave the commission an overview MITC's operations and said that Maine experienced good growth in trade until 2008 when it began to decline. Ms. Bisailion-Cary stated that Maine's top export was in electronic semiconductors (integrated circuits) followed by paper, engine parts, wood/wood pulp and crustaceans in that order. Canada accounts for nearly half of Maine's exports followed by Malaysia, China, Japan and Saudi Arabia. Ms. Bisailion-Cary also provided an overview of 2010 trade missions and international outreach efforts conducted by MITC in Turkey, the United Kingdom, Dubai, Nova Scotia and Germany. She asserted that there are two barriers to increasing trade: 1) lack of workforce (executive teams) in businesses to research international markets – the owner/operator of the business does everything with no time or payroll to research other markets; and 2) available capital – small banks are not as well informed about international regulations, programs and negotiations. MITC is working with the banking community and FAME to address Maine's banking model. Ms. Bisailion-Cary stated that it is tough to get small operations to talk or get together for a number of reasons such as time, capacity and interest. It is important to determine the potential impact of trade on small businesses and get the small business voice heard. Commission thanked MITC for inviting it to MITC's meeting with Ambassador Kirk.

Report and Discussion about Ambassador Kirks visit to Maine (Rep. Rotundo, Wade Merritt, Paul Volckhausen, Sarah Bigney and Dana Eidsness – Forum on Democracy and Trade were at the meeting with Ambassador Kirk) Ambassador Kirk gave a brief presentation on USTR operations and then opened it up for questions and encourage people to follow up question or requests via e-mail. (See attached draft summary of main points discussed at the meeting with Ambassador Kirk) Commission discussion points:

- It is encouraging that USTR seems to be more open to input from states but we need to have contacts within USTR that are working on a specific issue – could forward CTPC meeting summaries to the USTR person responsible for the topic area discussed during the meeting.
- It is hard to determine the impact each individual letter or resolution has on a trade issue but combining the voices of other states will help.

- It is unclear how USTR will proceed with state consultation because it seems unlikely it will be able to hear from all 50 states all the time.
- Didn't feel Ambassador Kirk gave too many direct answers to questions but seemed to listen to questions and people's concerns.
- Dana Eidsness has been trying to get on an IGPAC state policy group and will be going to Washington D.C. next week to meet with representatives of the group. Dana thinks the new openness to having her on the policy group may come from USTR's realization that state trade policy groups are up and coming and must be better represented on these groups. Dana will report back to the commission.

Update from the Forum on Democracy and Trade Currently, there are two issues heating up. One is the U.S. and E.U. dispute over Boeing/Airbus subsidies. A WTO panel found that in some instances the E.U. subsidies of Airbus violated the Agreement on Subsidies and Countervailing Measures and recommended the subsidies be lifted within 90 days. The E.U. filed a counter complaint that U.S. federal government, state and local governments development grants for research and development are subsidies that violate WTO rules. The WTO has delayed its decision on that case upsetting the E.U. If the WTO panel rules in favor of the E.U., it may affect economic development in the U.S. because research and development grants may become WTO violations. Bill Waren has written extensively on this topic and can be found on the Forum's webpage.

The second issue is TPP and tobacco commitments. In January of 2010, USTR sought comments on the TPP agreement and Philip Morris weighed in and has been involved in the arbitration of the Uruguay case. Dana said the bottom line is that tobacco needs to carve out of the TPP agreement. The Forum is working on an analytical paper that should be ready shortly. Dana will keep the commission posted on developments.

Task Force work. The task force on legislative outreach will report back at the next meeting. The state/federal task force hasn't yet developed a work plan for the year but discussed issues around the State Point of Contact and IGPAC proposals. Rep. Rotundo ask member to talk about the best way to structure a task force and come up with a summary of ideas out there – Vermont has a statement of principals that may be a starting point. Sarah Bigney will confer with Vermont's trade commission and come up with a draft for the next meeting.

Possible legislation. The commission will take this up at the next meeting. Briefly discussed legislation to have disputes resolved in Maine courts and not international tribunal.

Agenda items for the next meeting. John Palmer will talk to Peter Connell about being a guest at the next meeting. John Patrick will see if Dean Larsen is available for the next meeting. Task Forces will report back and Sarah Bigney will bring a draft statement of principals for discussion. The commission will also discuss possible legislation for the 125th Legislature.

Adjournment: The meeting adjourned at approximately 11:15AM.