

Citizen Trade Policy Commission

Friday, January 6, 2006

Room 126, State House, Augusta

1:00 PM Meeting of the full Commission

Meeting Summary

Members present: Sen. Margaret Rotundo (co-chair), Rep. John Patrick (co-chair), Sen. Kevin Raye, Rep. Deborah Hutton, Cynthia Phinney, Matt Schlobohm, Dr. Robert Weiss, , Mark Haggerty, Linda Pistner, Wade Merritt (for Richard Coyle), Mary Ellen Johnston, and Paul Volckhausen.

Members absent: Rep. Rod Carr, Sen. Bruce Bryant (attended morning subcommittee meetings), Barbara Van Burgel, James Wilfong, Jim Dusch, Vanessa Santarelli, Bjorn Claeson, Jim Dusch and Peter Connell.

Staff present: Curtis Bentley and Karen Nadeau-Drillen, Legislative Analysts

I. Meeting of subcommittees prior to full commission meeting (9:00AM)

The Citizen Trade Policy Commission's three subcommittees – Healthcare, Natural Resources/Environment, and Labor/Economic Development – At the Commission's December 2005 meeting, Matthew Schlobohm was directed to develop a draft 2006 work plan for the Commission to review at this meeting. Subcommittees reviewed the draft and amended it into final draft form to be presented to the full Commission at 1:00PM.

II. Discussion of Commission's 2006 Work Plan

Subcommittees presented the draft overall work plan to the Commission. The draft included 11 items that outlined areas for the Commission to monitor and identified the parties responsible for each item. See attached work plan.

Representative Hutton motioned and Senator Raye seconded the motion to accept the draft plan for the Commission's work plan for 2006. Of those voting members present, the motion passed unanimously.

III. Presentation by the National Legislative Association on Prescription Drug Prices (NLAR)

Sharon Treat, former state legislator and current executive director of NLAR, gave a brief presentation about a legislative working group on prescription drugs and trade. Ms. Treat presented the Commission with a draft of a Vermont resolution calling on the United States Trade Representative (USTR), Robert Portman, to form guidance on the definition of a "federal care program" under Annex 2-C of the United States-Australia Free Trade Agreement. More specifically, the resolution calls on USTR to "pursue the exchange of an Interpretive Note with the Government of Australia, clarifying that state administration of Medicaid programs and pharmaceutical assistance programs under the Medicare Modernization Act is not included in the definition of a 'federal care program' under Annex 2-C." Ms. Treat asked the Commission to endorse the Vermont model legislation and to advise the Maine Legislature to come forward with a similar resolution.

The USTR has assured state in writing that state programs are not covered by recent trade agreements signed by the United States. Sen. Raye asked if the resolution would simply put more force behind this statement. Ms. Treat responded that the USTR has no force because the agreement needs to be bilateral (i.e. need Australian government on board). She also suggested that the Commission might want to engage Maine's Congressional delegation to get this done.

Ms. Treat also said that endorsement of the Vermont resolution could be coordinated with other states and that there could be a joint rollout.

Both Representatives Patrick and Hutton are willing to cosponsor a resolution modeled after Vermont legislation. Senators Rotundo and Raye also agreed to cosponsor such a resolution, and will seek other legislators to cosponsor it. Senators Rotundo and Raye also agreed to be contacts for Ms. Treat and NLAR.

Linda Pistner made the motion that the Commission support a joint resolution and that the Commission's vote be put in letterform to be distributed to the legislature; Dr. Weiss seconded it. The motion passed with a unanimous vote.

IV. Discussion of Outside Funding for Staffing

A summary of outside funding possibilities for a full-time staff position developed by Bjorn Claeson was distributed to the Commission by its staff on Mr. Claeson's behalf. The summary is attached. Dr. Weiss recommended that the Commission determine what financial resources are needed to secure the position before beginning the actual fundraising activities. Linda Pistner suggested that contracting for services would be another option. Sen. Rotundo stated that the Commission needed to be extremely careful about funding sources to preserve the Commission's credibility as a nonpartisan entity. She also polled Commission members to see who may have the energy and time to write grants and pursue funding.

V. General Agreement on Trade (GATS) Letter

The Commission then discussed the Congressional Delegation's response to the Commission's July 2005 letter requesting assistance in obtaining information from the USTR regarding the federal government's intentions to commit Maine state laws to comply with GATS. Thus far there has been no response. Matt Schlobohm discussed the fact that more GATS requests will be made this year. This is the third request offer phase in negotiations. All voting members of the Commission agreed to send a letter to USTR to ask the following:

- When will we be consulted?
- How will we be consulted?
- How much time will we have to respond?

OPLA staff will draft this letter, sending copies to the Congressional delegation. After the letter is sent to USTR, the Commission directed staff to ask Richard Coyle to give USTR a follow up call.

VI. Education

Sen. Rotundo gave a briefing on education relating to trade issues and noted that there are three opportunities for press regarding the CTPC.

1. In the next few weeks, hold a press conference releasing CTPC's annual report.
2. At the same time, release news of endorsement of Vermont resolution (see above).
3. Also, plan visits to various joint standing policy committees with oversight on various world trade issues: Health and Human Services; Utilities and Energy; Legal and Veteran's Affairs (gambling); Business Research and Economic Development; Natural Resources; Agriculture, Conservation and Forestry; and Labor. The presentations, approximately 30 minutes long, would provide an overview of CTPC's charge and then focus on the reasons each Committee should have trade issues on their respective radar screens.

VII. Briefings from Subcommittees

A. Labor (Cynthia Phinney)

The Labor Subcommittee will initiate a discussion with the Maine International Trade Center (MITC) Board of Trustees on cross-border trade issues with Canada. This subcommittee will also work on Item 9 of the 2006 Work Plan, which is the development of what CTPC would like to see in future trade agreements.

B. Natural Resources (Mary Ellen Johnston)

The Natural Resources Subcommittee plans to contact Peter Riggs (Forum on Trade and Democracy) to get feedback on what the Forum has identified as issues to pursue in this area.

C. Healthcare (Matt Schlobohm)

The Healthcare Subcommittee will work with Sharon Treat and NLAR on drafting a resolution similar to the State of Vermont. The subcommittee will continue to work toward educating the Legislature. They will also look into the health insurance industry, specifically research and gaps in health insurance commitments to health care and trade. Dr. Weiss will look into the licensing policy implications relating to GATS.

VII. Other

Linda Pistner gave a brief presentation about her participation in a National Conference of State Legislatures' meeting. She will be putting together a memo on the high points of the meeting.

Next meeting will be held either Friday, February 10th or Friday, February 17th from 9:00 AM to 12 noon. The Commission is waiting to see which date works better for a report from MITC before setting the date. Cynthia Phinney will notify staff about which date MITC is available on. The Commission agreed not to hold a meeting in either February or March due to Legislative demands.

The Commission set the next public hearing for Thursday, May 11, 2006 at 6:00 PM in Lewiston.

IV. Adjournment.

The Commission adjourned its meeting at approximately 3:00PM