

Citizen Trade Policy Commission

Friday October 15, 2010, 9:00 A.M.

State House, Transportation Committee Room (Rm 126) Augusta

MEETING SUMMARY

Members present: Sen. Jackson, Rep. Margaret Rotundo, Rep. Gifford, Malcolm Burson, Carla Dickstein, Sarah Bigney, Cynthia Phinney, Paul Volckhausen, Michael Hilts, Michael Herz, Joseph Woodbury and John Palmer.

Pete Connell (Killarney Holdings, LLC) Mr. Connell discussed the impact of trade agreements on manufacturing in Maine focusing on manufactured housing. Stated that the manufactured housing industry in declining rapidly in Maine and New England. He provided a statement by Alan Tonelson posing that NAFTA and other trade agreements played a significant role in expanding the housing bubble and have hindered the recovery from the current economic recession. Mr. Connell stated NAFTA removed tariffs in 1998 and since then modular home manufacturing in Maine has declined precipitously because of Canadian practices that violate provisions of NAFTA. He stated that the Immigration and Naturalization Service's failure to enforce NAFTA provisions has been devastating on modular home manufacturers in the northeast. Canadian enforcement is very strong. Mr. Connell responded to a number of questions from commission members. Commission member, Joseph Woodbury, provided the commission with additional insights into the issue that clarified or varied from statements made during Mr. Connell's presentation.

Jim Catella (Senator Snowe's Office) update on softwood lumber issue. Mr. Catella provided background information on the softwood lumber dispute between the U.S. and Canada efforts made to resolve the issue. The main problem stems from British Columbia heavily subsidizing the lumber industry activities in its interior to produce lumber at a price that the U.S. lumber companies cannot possibly compete. Maine's Congressional Delegation worked to bring this to the attention of USTR and pushed USTR to bring a case against British Columbia. On October 8, 2010, USTR finally filed a formal request for consultation whereby the two parties can try to work out a resolution. Mr. Catella did not expect the consultation phase of the process to be successful and thought the case would move into the arbitration phase. Mr. Catella figured that it could be a year before a final resolution could be achieved. Sen. Jackson asked Mr. Catella if it would be possible to get the Secretary of Labor to come to Maine and Mr. Catella replied he would try.

Nominations for IGPAC. Rep. Rotundo briefed the commission on USTR's announcement that it would accept nominations for IGPAC. The commission unanimously voted to put forth Rep. Treat as a nominee and directed staff to send out an e-mail to the whole commission seeking additional nominees. Wade Merritt was suggested as another possible nominee. The commission will revisit this topic at its November meeting.

CTPC 2009 annual report. The commission reviewed and voted 10-0 to accept the draft annual report with one grammatical change.

Legislation Subcommittee. The commission created a legislation subcommittee to consider possible legislation for the 125th Legislature. The subcommittee consists of Sarah Bigney, Wade Merritt and Linda Pistner. Sarah Bigney will convene the subcommittee.

Sarah Bigney presentation on Federal/State consultation. Sarah Bigney provided the commission with list of proposals to improve federal/state consultation made by a variety of entities including the NCSL, the Forum on Democracy and Trade, IGPAC and other state-level trade commissions. The commission favored putting together a set of principles that should be met by any federal/state consultation process instead of specifically designing an “optimum” consultation process. The commission decided to have Sarah Bigney and Malcolm Burson work together on developing a first draft of principles based on Ms. Bigney’s list and prior commission positions on this topic. The commission will take this topic up again at its next meeting.

Public hearing. The commission agreed to hold the next meeting in Washington County. Cynthia Phinney will work on finding a location for the next public hearing and Rep. Rotundo will talk to Senator Raye to get suggestions regarding time, place and topics.

Staffing during legislative session. Rep. Rotundo informed the commission that Dana Eidsness of the Forum on Democracy and Trade has offered to provide assistance during this time in the form of letter writing and technical assistance. The chairs are working to find someone to do more of the administrative support during the session.

Agenda items for the next meeting. Michael Hiltz requested 20 minutes to give a presentation on healthcare issues related to trade. Rep. Rotundo will provide suggestions for educating legislators about trade issues. The commission will determine the place, time and topic for the next public hearing. Sarah Bigney and Malcolm Burson will report on principles regarding federal/state consultation on trade matters. The commission will identify any other members that wish to be considered for IGPAC by USTR.

Adjournment: The meeting adjourned at 11:45AM.