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STATE OF MAINE

Citizen Trade Policy Commission

MEMORANDUM

TO: Sander M. Levin, Chairman
House Ways and Means Committee Trade Subcommittee on Trade

FROM: Troy Jackson, Senate Chair
Margaret Rotundo, House Chair
Maine Citizen Trade Policy Commission

DATE: June 28, 2009

RE: Submission of comments for the hearing on the system of trade advisory committees

We, the members of the Maine Citizen Trade Policy Commission, appreciate this opportunity to submit our comments regarding the system of trade advisory committees and how to increase transparency and public participation in the development of U.S. trade policy. We believe in the power of trade as a tool for promoting economic growth and enhancing relationships between the United States and its trading partners.

The Citizen Trade Policy Commission was established by the Maine Legislature in 2004 to monitor the impact of international trade policy on our state. We have members representing the House of Representatives, the State Senate, the Maine International Trade Center, various state agencies, and members affiliated with citizen constituencies including small businesses, manufacturers, labor, environmental organizations, and small farmers.

States and local governments are important partners with private business in the design and implementation of our nation's economic development strategies. States and cities have traditionally acted as the 'laboratories of democracy' where different economic policies can be pioneered. Because trade is a critical part of any successful economic development strategy, and because different states, cities and towns have needs related to trade and trade policy that are as different from one another as are

the mix of products and services that we export, we seek to add our voices and expertise to this policy arena.

Since the conclusion of NAFTA and the WTO Uruguay Round, states have been allowed to play only a limited role in the policy-making process. The United States Trade Representative (USTR) has expected our support in all matters pertaining to trade but too often has been unwilling to engage in dialogue with state actors on critical issues of trade and investment. With your assistance, we intend to build a more collaborative relationship between the federal government and the states on trade to preserve our federal system and reach out for new trade relationships around the world.

In meetings convened with the support of national associations such as the National Governors Association, the National Association of Attorneys General, and the National Conference of State Legislatures, officials from the different branches of state and local governments have been meeting in order to articulate a set of approaches that could assist in the development of a better federal-state consultative process on trade. As a result of these discussions, in which Maine has played an essential part, we request your consideration of the following:

The establishment of a **Federal-State International Trade Policy Commission**, and/or the creation of a **Center on Trade & Federalism**, supported by both the federal government and the states, with adequate personnel and resources to ensure that the major provisions of trade agreements and disputes that impact on states can be analyzed, and their findings communicated to and discussed with key state actors on trade.

Changes in the structure and role of USTR trade advisory committees. All state and local government input has been limited to a single committee, the InterGovernmental Policy Advisory Committee (IGPAC); the membership of that committee was determined exclusively by USTR and not by the states themselves. IGPAC was designated few resources and a time line for input that resulted in no meaningful consultation for states. More than half of all states lack any representation on IGPAC.

We look forward to discussing with you opportunities for building a collaborative approach to trade that will strengthen the system of federalism that was part of the genius of our nation's founders.