

Citizen Policy Trade Commission
Summary of Public Hearing Testimony
May 11, 2006
Andover College
Lewiston

I. TESTIMONY BY TOPIC

Democracy Issues

- Concerned about the transparency of the international trade agreement process. Democracy is under attack. We need to do proper assessments of impact of these trade agreements; all negotiations should be halted.
- Concerned about the proposed Net Neutrality Act. If this federal legislation passes, corporations will be able to buy network space and allow deep integration of media. Mainstream media and public perception of the world will be controlled by a few transnational corporations.
- Concerned about secrecy of NAFTA process. Enforcers are unelected. Local laws are disregarded.
- It is the responsibility of government to take charge of trade agreements and take it out of the hands of corporations.
 - The poor need to be able to speak up to corporations and big business.
 - The most important piece is education. The general population just doesn't know what is going on.

Maine Jobs/Economy

- Maine State Employees Association (MSEA), SEIU Local 1989 concerned about the potential negative impacts that international trade agreements focused on services, such as the General Agreement on Trade in Services (GATS), could have on public sector workers and access to public services in Maine.
 - The GATS would accelerate privatization of public services and undermine public service workers, wages and unions.
 - MSEA-SEIU believes that trade agreements become fair trade agreements only when they are inclusive and all parties are represented at the table.
 - Our survival depends on re-localizing our economy and converting to a low-energy, low-resource, and no-growth economy. Our communities and our next generations will depend on our developing local solutions – whether in agriculture, health care, education or government services.
 - We must find ways to reduce our imports and promote cooperative economic development.
- NAFTA alone has cost the State of Maine thousands of decent manufacturing jobs. We have already lost most of the shoe and textile factories, and now the paper industry is investing more overseas than here in the U.S.

- We must take back local democratic control of our economy. We must not surrender power over our local ordinances, laws and regulations to the foreign and alien corporations.

Labor Issues

- Trade agreements have lowered the wages of workers both in America and abroad.
- One out of 4 union leaders murdered in the world are murdered in Columbia; yet the United States has a bilateral trade agreement with Columbia.
- When NAFTA began in 1994, it's supporters claimed that it would increase U.S. exports, create jobs here in America, and raise the standard of living in Mexico, but none of these things happened. Instead, U.S. jobs were lost, exports fell, imports rose, and the standard of living in Mexico fell.
- Workers are being exploited in developing countries.
- We need a minimum manufacturing base; the current cost of fuel highlights this issue.

Public Health/Pharmaceuticals

- Concerned about how trade treaties undermine governments' ability to control tobacco and alcohol – two products that cause substantial harm to public health:
 - Why should tobacco be made cheaper as tobacco taxes are lowered, when it should be made more expensive?
 - Why should tobacco be made easily accessible to citizens through the elimination of market restrictions, when it should be made less accessible – especially to young children?
 - Why should tobacco be made more desirable to youth through global advertising, when we should be reducing tobacco advertising, sponsorships and other promotions to protect young people worldwide?
 - Globally, alcohol causes nearly as much death and disability as tobacco. According to the World Health Organization (WHO), alcohol consumption is the leading risk factor for disease burden in low-mortality developing countries, and the third largest risk factor in developed countries.
- Trade treaties place ever greater restrictions on government actions, making it more difficult for governments around the world to regulate tobacco and alcohol to improve public health.
- The U.S. is requesting that other countries make concessions in the current round of the WTO services negotiations – in the form of collective GATS requests in distribution services. If this demand is accepted, it would make it more difficult for these other countries to regulate tobacco and alcohol in the public interest.
- In 2005, the Framework Convention on Tobacco Control came into force. This is the first legally binding treaty sponsored by WHO and is designed to reduce tobacco-related deaths and disease worldwide by restricting the supply and demand for the product.
- A representative from the National Legislative Association on Prescription Drug Prices (NLAR) spoke about a recent lawsuit filed by a major pharmaceutical company, Eli Lilly, against Australia which has a bilateral trade agreement with the U.S. Under a provision of free trade, the drug company is suing to force Australia to include one of its drugs on the country's preferred prescription list, making it eligible for the government drug benefit program. What can be done in Australia can

II. REQUESTS MADE OF COMMISSION BY SPEAKERS

Public Health

- Maine should request that the United States Trade Representative (USTR):
 - Not make any GATS offers affecting the supply, distribution, sale, advertising, promotion or investment of tobacco and alcoholic beverages in Maine; and
 - Refrain from making any GATS requests of other countries pertaining to these service sectors.
 - In particular, Maine should request that the federal government instruct the new USTR to withdraw U.S. support for the collective (or “plurilateral”) request it has co-sponsored on Distribution Services as it pertains to alcohol and tobacco.
- A representative from the National Legislative Association on Prescription Drug Prices (NLAR) asked the Commission about the status of a draft resolution calling on the USTR to form guidance on the definition of “federal care program” under Annex 2-C of the U.S.-Australia free trade agreement. In January, NLAR asked the Commission to endorse the Vermont model legislation and to advise the Maine Legislature to come forward with a similar resolution.

Natural Resources

- FOMB urges the Commission to search out examples where trade treaties impact democratic control over water resource and craft state legislation that provides the best possible protection against the intrusion of trade treaty rules.
- FOMB urges the Commission to ensure that water is included as a priority item in all future state efforts to protect state laws from trade treaty interference. Trade treaties extend beyond water as a commodity; these rules pertain to water services and water investments.
- Asked the Commission to look into how we in Maine can protect our fresh water, and services and investments relating to water, from international trade rules.
- Asked the Commission to assess the risks of international trade treaties affecting the democratic control over water in Maine – with special emphasis on global rules on services and investments relating to water.
- Asked the Commission to investigate how the State could minimize its exposure to these risks in its day-to-day practices. Should the State be negotiating much tighter water contract provisions?

Other

- MSEA-SEIU urges the Governor to carve the State of Maine out of previously committed service sectors such as healthcare.
- Peace through Interamerican Community Action (PICA) urged the Commission to recommend to Maine’s congressional delegation that they reject the U.S.-Columbian trade agreement now in negotiations. Union organizers are systematically killed in Columbia.
- Asked the Commission to support federal legislation referred to as “Fair Trade for our Future Resolution.”

be done in Maine or elsewhere. Maine maintains its own preferred drug list for its prescription programs.

- The Australia free trade agreement may limit what states can do and may make it more difficult for Maine to carry out its drug policies.

Environment

- Trade agreement rules may apply to water, including municipal water treatment and wastewater treatment and water investments such as the State of Maine's agreement with Poland Springs.
- A state has no authority to alter the rights of foreign investors under international law, either by law, regulation or contract (in reference to the State of Maine's agreement with Poland Spring Water).
- The Friends of Merrymeeting Bay (FOMB) are concerned about water quality and quantity as they pertain to the State of Maine and to the Merrymeeting Bay watershed in particular. FOMB is concerned about the potential impact of trade treaties on the democratic control over water.
- FOMB spoke about a NAFTA case where Canadian company Methanex brought suit against California laws banning the gasoline additive MTBE. FOMB feels this case illustrates that global corporations can use international trade treaties to challenge state measures affecting water using a secretive and expensive process that bypasses our domestic laws and court system.
- How can we continue to regulate the extraction, distribution and use of fresh water in our State in the long-term public interest without interference from global water companies using trade treaty rules?
- How can we ensure that democratic control over water in Maine is not subverted?
- Past trade agreements, like NAFTA, show the potential for trade treaties to affect bulk water exports.
- Global trade rules apply to municipal services, such as water treatment, fresh water distribution, and wastewater treatment.
- We haven't done the assessments necessary to understand the impacts of the GATS agreement on land use. Local municipalities need to have control over environmental and historical impacts.

Agriculture

- In the early 1970s, there were approximately 7,000 acres of commercial apple orchards in Maine. Presently, there are just over 2,000 acres. Most of that decrease is a direct result of unfair trade and foreign imports.
- Apples from South America and New Zealand dominate the wholesale market. China has 5 million acres in apple orchards ready to flood the market. Offshore producers don't have the environmental or labor issues to contend with that domestic producers do, such as paying a federally mandated \$9.16 per hour to harvest the apples.