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JOHN ELIAS BALDACCI
GOVERNOR

December 2, 2005

Ambassador Rob Portman
United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Dear Ambassador  Portman:

I write to you today as a firm advocate of international trade. The state of Maine has benefited for centuries from growth in the export trade industry, an industry which continues to grow and continues to generate a strong economic base in the state. I have fundamental concerns, however, about the effect that current trade negotiations will have on the state. I am most concerned that international trade agreements presently in negotiations do not provide adequate protections for workers, the environment or democratic governance.

When the Doha trade talks resume later this month, negotiations on the General Agreement on Trade in Services (GATS) are expected to intensify. I have grave concerns about the pace of discussions and the consequences that could result from rushed negotiations. Primarily, states have been offered no convincing assurance that these accelerated agreements will not lead to devolution of states' rights or result in the "race to the bottom" effect on environmental and labor standards that we have seen in earlier agreements.

My concerns regarding the GATS negotiations are compounded by the process that has been utilized to consult with the states. The system has proved inadequate and has not allowed substantive consultation and dialog between the USTR and the states. By letter of May 27, 2005, the Citizen Trade Policy Commission, a commission established by the Maine legislature to monitor the impact of international trade agreements on state and local laws, expressed concern to the USTR on behalf of the state over the consultative process. The commission advised that it was unable to adequately respond to the USTR's request for states' comments on the GATS negotiations given the short timeframe and lack of information provided. The CTPC received no official response to its communication. The commission was later informally informed that it lacked authority to represent the interests of the state of Maine, and that in any event, its letter was untimely.

Thus, I must echo the comments of the CTPC. I emphasize that the process must be more cohesive, more consultative, and more transparent as we collectively draft trade agreements which will have profound consequences on our economy and our democracy for years to come.

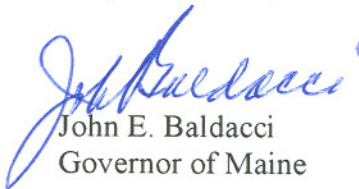


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I strongly urge you to slow the GATS discussions significantly to allow for more research into the actual impact the GATS commitments will have on states. I am troubled that the current commitments may shift the federal balance of power and diminish the state's ability to regulate and govern domestic matters such as health care, zoning and gambling. Maine has been innovative in the area of health care especially – acting where the federal government has failed, innovating where challenges are most difficult – and advancing in a manner that has pushed the envelope with respect to both federalism and internationalism – in areas such as prescription drug importation. Our health care partnerships have aggressively involved the private sector. I am unconvinced that current USTR commitments to liberalize trade in services would not touch upon the public-private and sometimes international health care service tools we have used – or will need to use – to reduce Maine's health care costs. I can not risk the ability of the state of Maine to innovate on behalf of its people. I ask that you consider these concerns during your negotiations at the upcoming Doha summit.

The GATS agreements are extraordinarily complex agreements with tremendous potential benefit both locally and globally; however, the agreements also contain risks that could jeopardize the democratic principles this country was founded upon. Liberalized trade should not be promoted at the expense of state sovereignty. The states must be given more time and more opportunity to participate in this process. If we collectively fail in our approach to this opportunity, we will frustrate years of work to build a national consensus on how best to grow and sustain a global trade community that is viewed as beneficial for all.

Very truly yours,



John E. Baldacci
Governor of Maine

cc: Senator Olympia Snowe
Senator Susan Collins
Representative Tom Allen
Representative Mike Michaud