

**Maine Citizen Trade Policy Commission
Testimony by Maine State Employees Association, SEIU Local 1989
Thursday May 11, 2006**

MSEA-SEIU, a union representing over 12,000 workers (primarily a public sector workforce), wishes to express our serious reservations about the World Trade Organization's current negotiations pertaining to the General Agreement on Trade in Services, or GATS. A major expansion of the GATS could compromise certain services within state government, such as electronic transfer of information conducted by the Maine Revenue Services or the Department of Health and Human Services. A poorly worded clause purports to exclude government services that are "supplied neither on a commercial basis nor in competition with one or more service providers". The reality is that often the work done by state government today involves some public/private mix or fee structure. Public sector functions that include health care, education and some financial services, can be construed as falling outside this exception, therefore covered by the GATS. Public policy governing these services could be challenged for violating WTO rules. For example, government's responsibility for maintaining the confidentiality of certain records could be deemed an irrelevant public policy that interferes with free trade.

Although the GATS deals with many service sectors currently regulated by state governments, our State Legislature and Governor have been left out of the negotiations. Fortunately, Governor Baldacci, in a letter to United States Trade Representative Rob Portman dated April 5, 2006, requested that Maine be "carved out" of any new service offers being proposed in the current round of negotiations. Governor Baldacci further states that, "... liberalized trade should not be promoted at the expense of state sovereignty and the democratic principles upon which this country was founded". MSEA-SEIU thanks the Governor for his position and his support for trade agreements that protect workers, consumers, the environment and state sovereignty. In conclusion, we believe that trade agreements become fair trade agreements only when they are inclusive and all parties are represented at the table.



April 5, 2006

The Honorable John E. Baldacci
Governor, State of Maine
1 State House Station
Augusta, ME 04333

Dear Governor Baldacci,

The Maine State Employees Association SEIU Local 1989 is a labor union representing more than 12,000 public and private sector workers throughout Maine. We are committed to improving the lives of workers and their families through aggressive advocacy at the bargaining table and in the halls of the Legislature and Congress.

DANA GRAHAM
President

BRUCE HODSDON
Vice President

TIMOTHY L. BELCHER
Executive Director

We have become increasingly 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. We've also become concerned that these agreements could actually undermine our ability to make our own policy decisions in Maine regarding the service sector.

The World Trade Organization's GATS agreement poses serious threats to the jobs, wages and occupational health and safety of the nearly 80% of U.S. workers now employed in the service sector. The GATS would accelerate privatization of public services and undermine public service workers, wages and unions. The pacts would provide a dangerous new tool for politicians who favor privatizing a broad array of federal, state and local government jobs. The GATS is geared toward "progressive liberalization," which means privatizing service sectors that were formerly public and opening them up to competition by foreign corporations.

We are particularly concerned with the impact GATS rules could have our State of Maine workforce. Our members in Maine Revenue Services, whose work consists of electronic filings of tax returns and other sensitive documents, could find their jobs more easily outsourced under GATS rules. Maine's ability to determine how public services are delivered is jeopardized by current GATS negotiations that exclude governors and state legislatures from the process. Furthermore, GATS Monopolies rules could undermine future efforts in Maine to provide quality health insurance to everyone in this state.

MAINE STATE EMPLOYEES
ASSOCIATION, LOCAL 1989
SERVICE EMPLOYEES
INTERNATIONAL UNION
AFL-CIO, CLC

P.O. BOX 1072
65 State Street
Augusta, ME 04332-1072
207-622-3151
1-800-452-8794
Fax: 207-623-4916

mseaseiu@mseaseiu.org

Web Page: www.mseaseiu.org



Based on GATS commitments the United States has already made, we also have concerns about the impacts these rules will have on public transit workers, including public school bus drivers, as well janitors and security personnel.

For these reasons we strongly encourage you to not have Maine included in the upcoming offer by the United States to cover more service sectors under the GATS rules. We should be slowing down and fixing this problematic agreement instead of racing ahead and expanding it. Additionally, we urge you to carve Maine out of previously committed service sectors such as healthcare.

We appreciate your valuable leadership on this issue.

Sincerely,

Dana K Graham

Dana Graham
President, MSEA-SEIU Local 1989

MAINE STATE EMPLOYERS
ASSOCIATION LOCAL 1989
SERVICE EMPLOYERS
INTERNATIONAL UNION
AF-CIO, CIO
P.O. BOX 1073
67 STATE STREET
Augusta, ME 04333-1073
207-622-3131
1-800-422-8744
Fax: 207-622-4919
msea@maineafcio.org
The following information is for your reference only.