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OFFICE OF THE GOVERNOR  
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04333-0001

JOHN ELIAS BALDACCI  
GOVERNOR

April 5, 2006

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

Dear Ambassador Portman:

I write with continued concerns regarding the ongoing negotiations of the General Agreement on Trade in Services (GATS) at the World Trade Organization (WTO). By letter dated December 2, 2005, prior to the 2005 WTO Hong Kong Ministerial meeting, I expressed to you strong concerns about accelerated GATS negotiations that could erode the State's ability to regulate services domestically.

The Hong Kong Ministerial Declaration's dictates indicate that Maine's concerns were not heard. Now, rather than suffer the application of these rules to a wide swath of Maine service-sector regulations, I write to request that you carve Maine out of new service offers you are proposing in the context of the current Doha Round of negotiations. Maine does not wish to be bound to GATS rules for any new service sectors, including but not limited to, those proposed in your May 31, 2005 offer.

Your proposal to offer higher education to the constraints of the GATS is particularly alarming. Providing quality educational opportunities for all Maine citizens is an essential component of a strong economy and healthy communities. This sector is simply too important to subject to broad and poorly worded GATS rules which are subject to various interpretations by WTO tribunals.

I would also like to clarify the scope of the service-sector commitments made in 1995. There are several areas where previous GATS commitments threaten to limit the State's ability to innovate. Maine is a leader in expanding health care coverage for the uninsured. We must retain the flexibility to make significant progress in this area unrestricted by GATS rules or trade tribunals. Please carve Maine out of all sectors relating to health care, including health insurance, hospitals and other health care facilities, construction and related engineering services, wholesale distribution and the cross-border nursing commitments under Placement and Supply Services of Personnel.



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Maine also has a diversity of zoning and land use laws that are determined by local communities and reflect an evolving effort to decide democratically how our cities and towns will grow. In many places, land use laws include quantitative limits, particularly in environmentally sensitive areas or historic districts. In light of the fact that many other developed countries have specifically made exceptions for these policies, while the United States failed to do so, we ask that you carve Maine out of all sectors that implicate land use, including retail distribution, hotels and restaurants, and franchising.

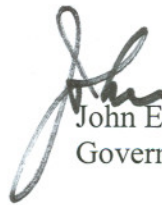
Libraries are important sites of free and democratic exchange of information. For this reason few developed countries have committed libraries to the terms of the GATS. By committing libraries to the GATS and not specifically exempting public funding from GATS rules, we compromise the support that taxpayers give to ensure that public libraries continue to serve as valuable democratic spaces. Please carve Maine out of the libraries, archives, museums, and other cultural services sector.

I look forward to timely confirmation from your office that Maine will be carved out of the GATS in the appropriate areas.

As I have stated in my previous correspondence, liberalized trade should not be promoted at the expense of state sovereignty and the democratic principles upon which this country was founded. We have an important opportunity ahead of us to develop a more effective system of state-federal consultation that requires prior informed consent from states in order to evaluate the full impacts of trade agreements on areas of domestic concern. I am a firm advocate of international trade, and I believe a strong economy with vibrant trade relationships is possible without sacrificing measures needed to provide safeguards for workers, consumers, the environment and democratic governance.

I look forward to working with your office to promote a stronger and more democratic trade agenda that benefits all.

Sincerely,

A handwritten signature in black ink, appearing to read 'John E. Baldacci', with a large, stylized flourish extending from the bottom left.

John E. Baldacci  
Governor