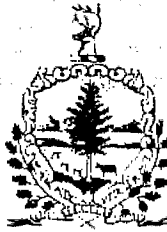


115 STATE STREET
MONTPELIER, VT 05633
TEL: (802) 828-2228
FAX: (802) 828-2424



STATE OF VERMONT
GENERAL ASSEMBLY

REP. KATHLEEN C. KEENAN, CO-CHAIR
SEN. VIRGINIA "GINNY" LYONS, CO-CHAIR
DAN BRUSH
DAVID ANGER
JOHN BOOMHOVER
LAWRENCE BRUCE
ELLIOT BURG
JOLINDA LACLAIR
BRENT RAYMOND
STEVEN SHEPARD

Commission on International Trade & State Sovereignty

MINUTES
(Approved Feb. 14, 2013)
Friday, November 30, 2012

Members Present: David Anger, John Boomhover, Elliot Burg, Senator Ginny Lyons, Co-Chair, Lawrence Miller (for Brent Raymond), Steven Shepard

Also present: David Hall, Legislative Council, Francette Cerulli, Committee Staff

Recordings: CDs 12-14, 15

Minutes

Minutes were approved unanimously as written.

Membership Update

Ginny Lyons welcomed newly appointed commission member Steven Shepard, assistant manager of A.N. Deringer's Highgate office, and an expert in government import-export regulations. Members and staff introduced themselves. Dan Brush and Larry Bruce have been reappointed.

Brochure and Website

David Hall summarized the decision process leading to the preparation of a letter, memorandum, and brochure to send to legislators, as well as the longer process leading to the most recent version of the brochure. He said the ITSS website will be complete after 8 more hours of work, which Dawna Attig will do when she returns in January.

He presented the latest version of the brochure, incorporating changes requested by members at their last meeting. He also showed the "eye-chart" (SMALL PRINT IN FREE TRADE AGREEMENTS CAN OVERTURN VERMONT STATE LAWS), which had been removed from the brochure before the most recent design draft.

Ginny suggested that every bullet under the "Concerns" column include a phrase in boldface to attract attention, and gave David specific words to bold. John Boomhover asked that specific countries and companies, such as "Frontera" and "New Zealand" be removed from the text in the Agriculture bullet. The subject of labor, it was suggested, should be moved from the back page to inside.

Elliot said the present design has "lost the message" the Commission originally wanted to convey. Specifically, he suggested that:

1. The eye-chart should be put on the front; it graphically illustrates the real concerns of the commission.
2. Concerns should be emphasized without so much text; the "I can't believe it!" facts should be seen first, and pluses of trade be removed from the brochure.

John Boomhover showed how people read a brochure: front page first, then back page, then the inside if their interest is piqued.

The group agreed to put less info on the back for more impact, then more detail on the inside, and that the bottom right-hand inside page be a call to action to contact the Commission for more information.

Larry Miller suggested that more diverse areas of risk be shown on the back to increase the chances of getting the attention of every single legislator. Specifically, the subjects of Utilities and Education should be added.

The group decided to keep the map in some form as background design. Benefits should be very briefly delineated on the back of the brochure, but concerns should be emphasized to get the reader to open it for more details. There, concerns about states having "no seat at the table" for negotiating FTAs, and being excluded from tribunals which affect their welfare, will be spelled out.

Elliot offered to design a new mock-up of the brochure incorporating the members' agreed-on points, and send it via Fran and David to the members for their opinion. If there is not a consensus about the changes Elliot makes, Ginny has decided that Fran will set up a conference call, and members will decide to go with the new brochure or back to the present one.

Letter to Legislators

David presented the cover letter to legislators, which is now on the Commission header. Ginny wants to add Energy Policy to the list of areas impacted by FTAs. David is going to shorten the last paragraph and refer readers to the commission's website, and also add "dairy" to the parenthesized subjects after "Agriculture," and drug prices to those following "Health Care and prescription drugs."

Memorandum to Legislators

David presented his latest draft of the proposed memorandum to legislators. Ginny requested adding the loss of state jobs which may result from FTA's, in the third paragraph under "Why Does International Trade Matter to Vermont"? Larry Miller requested a wording change to reflect that the Commission "is creating" rather than "plans to create" a website, in the next-to-last paragraph, and inclusion of the link to the website. David will include details of the next meeting at the end of the memorandum.

Planning of Future Meeting

Members decided to schedule a Commission meeting in February, to which all legislators, especially particular legislative committees, will be invited. The meeting will feature speakers from IGPAC, the Harrison Institute of Public Law, and the USTR. Elliot will contact Bob Stumberg of the Institute, Fran will contact Sharon Treat from IGPAC, and David will be responsible for contacting the USTR. Fran will schedule the space, the meeting date to be determined by Mr. Stumberg's availability.

It is hoped that Mr. Stumberg can discuss the Free Trade Agreement negotiation process, TPP, and whatever he deems current, and Ms. Treat will speak on both her role as IGPAC advisor regarding the effect of FTAs on state law, and her special interest in health care.

Fran will keep the members informed as the meeting date and agenda are firmed up.

Status Update on Other States

David Hall gave a brief report on the five other states beside Vermont which not only have created commissions or offices on international trade, but also have legally charged a specific person or persons to address the effect of international trade agreements on state sovereignty issues. They are Colorado, Maine, Massachusetts, Utah, and Washington. Ginny noted that different states' commissions or offices have different effects on the executive branch of their governments.

World Trade Organization Lawsuit Decision and State/Provincial Law

Elliot and David reviewed a recent decision by WTO, finding for Japan and the European Union against Ontario and a "feed-in tariff" program designed to build local green energy infrastructure. Canada argued that exceptions in WTO law protect government procurement programs like theirs which require that renewable energy suppliers in Ontario use a certain percentage of Ontario-made equipment in their projects. Japan and the EU claimed that the program violates international trade law, specifically rules of nondiscrimination, subsidies and foreign investor rights. Lawrence clarified that Ontario's law is about the initial development of resources rather than the delivery of service.

Details of the final tribunal opinion are not yet published, so there is speculation about the implications pending a possible appeal to the WTO Appellate Body.

Respectfully submitted,

Francette Cerulli,
Office of Legislative Council