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Senators question Nebraska's participation in U.S. trade agreements

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DATELINE: LINCOLN, Neb.

Three state senators are questioning Gov. Mike Johanns' authority to bind Nebraska to policies included in a number of trade agreements being negotiated by the federal government.

Lincoln Sens. DiAnna Schimek and Chris Beutler and Nancy Thompson of Papillion sent Johanns a letter Friday questioning the practice.

Last week, Beutler asked for an attorney general's opinion on the subject.

The senators have concerns similar to those that have been expressed by the governors of Iowa, Missouri, Pennsylvania, Maine and Minnesota that rules contained in pending trade agreements would override state laws offering preference to in-state businesses.

The new trade agreements would grant companies from a number of foreign markets equal access to state government contracts, the senators said.

They also said such pacts could limit the states' ability to favor local companies. As a member of the World Trade Organization's Agreement on Government Procurement, the United States already has free trade agreements with the other 27 members.

"I am concerned about the impact these trade agreements will have on the work we do," Schimek said. "The Legislature, which allows for open debate and public input, is the best place for determining what works for Nebraska."

Johanns responded to the letter Friday, saying in a statement that he is maintaining the same policy that other governors have before him and that the agreements do not impede the work of the Legislature.

"In no way does the policy Nebraska has long maintained regarding free trade interfere with the Legislature's prerogative in this area and the senators expressing concern are aware of that," Johanns said.

Neena Moorjani, a spokeswoman for the U.S. trade office, said earlier this month that trading partners could respond by closing markets to U.S. suppliers if states do not participate.

U.S. trade officials say states are allowed to exclude sensitive local industries and that only a few big contracts would be opened to foreign bidding.

But Lori Wallach, director of Global Trade Watch for Public Citizen, the Washington D.C.-based consumer group, said under the trade agreement rules, governors and state lawmakers would "lose all of their authority to set the terms on what they buy and who they do business with."