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BOB HOLDEN  
GOVERNOR

May 7, 2004

The Honorable Robert B. Zoellick  
The United States Trade Representative  
Winder Building, Room 209A  
600 17<sup>th</sup> Street, NW  
Washington, D.C. 20506

Dear Mr. Zoellick:

In September of 2003, you sent me a letter requesting our permission to extend the same commitment for procurement coverage in new trade agreements as the state currently provides to the other Member countries of the Agreement on Government Procurement. On October 7, 2003, I responded indicating that the State of Missouri, Division of Purchasing and Materials Management, would be willing to make that commitment, under the understanding that it would not require our state to change its government-procurement practices.

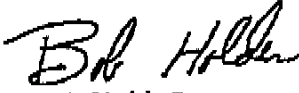
Subsequently, I issued two new Executive Orders that impact state procurement policies: Executive Order 03-27 permits state agencies to consider the impact on Missouri's economy when awarding contracts; and Executive Order 04-09 restricts the circumstances under which state agencies may award contracts to offshore vendors (copies attached). These Executive Orders codify important state policies related to procurement, and I am concerned that unilateral sign-on to future free trade agreements with foreign nations is inappropriate without assurances that Missouri will be able to protect its public policy interests with regard to promoting in-state business activities and protecting against undesired outsourcing.

Accordingly, I hereby withdraw Missouri's consent to extend GPA procurement coverage in future trade agreements. My office will be pleased to discuss the merits of future trade agreements with your office on a case-by-case basis so that we can extend consent if such consent can appropriately be granted in a manner that protects the public policy interests of the State of Missouri, as expressed in Executive Orders 03-27 and 04-09.

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I look forward to working with you to achieve the joint goals of protecting Missouri's public policy interests and ensuring favorable treatment for the state from our foreign trading partners.

Sincerely,

  
Bob Holden  
Governor

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Attachments