



THEODORE R. KULONGOSKI  
Governor

May 7, 2004

Robert B. Zoellick  
United States Trade Representative  
Executive Office of the President  
Washington, D.C. 20506

Dear Mr. Zoellick:

Thank you for your explanation regarding the limitations of trade agreements. Outsourcing of any kind has become a sensitive issue to Oregon citizens who have experienced one of the highest unemployment rates in the nation over the last several years. Oregon's Senate Interim General Government Committee will begin addressing outsourcing at its June 2004 meeting.

I am aware of the commitment made by then Oregon Governor Barbara Roberts in 1993 to abide by agreements among those member countries of the World Trade Organization. I am also aware that these countries have committed to restricting what their governments can do in contracts for goods and services. Since 1995, twenty-eight member countries of the WTO have agreed to such restriction provisions governing their procurement practices. To continue Governor Roberts' commitment may limit Oregon's ability to curtail the outsourcing of state government jobs to those countries and maybe subject Oregon to constraints regarding preferences for the purchase of in-state products and services.

Currently, in addition to evaluating your request to extend our trade agreement participation to include the FTA, we are evaluating whether Oregon will continue our role as a participant in current and future trade agreements at all.

Sincerely,

THEODORE R. KULONGOSKI  
Governor

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