



STATE OF MINNESOTA

Office of Governor Tim Pawlenty

130 State Capitol • 75 Rev. Dr. Martin Luther King Jr. Boulevard • Saint Paul, MN 55155

April 6, 2004

The Honorable Ellen R. Anderson
Minnesota State Senate
120 State Capitol
St. Paul, MN 55155

Via Hand Delivery

Dear Senator Anderson:

Thank you for your March 30, 2004, letter regarding international trade agreements and access to state procurement markets. The following responds to your questions:

1. Have you given Minnesota approval to be bound by procurement rules in future trade agreements?

No.

2. If you did give authorization, four important questions need to be answered.
 - a. Would you release a copy of your authorization?
 - b. Was there any public or legislative input into that decision?
 - c. What impact will this have on our state's ability to limit outsourcing of state contracts or even to impose a "Made in USA" preference?

As set forth above, the Governor has not given approval in relation to future trade agreements.

3. If you did not yet give authorization . . .
 - a. What assurances can we have that there will be public and legislative discussion of this issue?
 - b. What is the timeline for these discussions?
 - c. Would you attempt to correct the listing on the USTR website?

The United States Trade Representative (USTR) is currently involved in negotiation a number of pending trade agreements. They have communicated to our office that their most pressing negotiation involves a pending trade agreement with Australia. Apparently there are some additional negotiations with Australia scheduled in May.

The trade office contacts state governors in regard to listing the state on the sub-governmental portion of the trade agreements. The USTR seeks to obtain a significant

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number of state signatories so they can provide U.S. companies with increased access to the sub-federal markets in the foreign country. According to the USTR, states can provide approval to be listed on the agreement subject to qualifications under their existing procurement laws and the laws that may be passed in the future.

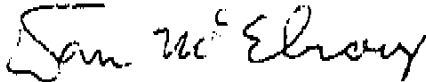
The USTR's office also has communicated to our office that the listing of a state on the trade agreement does not prevent the Legislature from subsequently passing laws to remove the state from the list or from restrictions or limitations on foreign access to state procurement markets. If a state later changes its state procurement laws in a manner contrary to the federal trade agreements, the USTR may need to make some trade concessions to make up for the change in access.

We have contacted the USTR, informed them that Minnesota has not agreed to be listed on any new or pending agreements, and asked them to remove Minnesota. They agreed to do so.

Finally, in relation to your questions regarding the legislative role – the Legislature passes legislation in relation to state procurement. The Legislature, as always, remains free to pass additional legislation regarding state procurement or international trade agreements as it sees fit.

I hope this answers your questions. Please let me know if you need any further information from the Governor's office.

Sincerely,



Dan McElroy
Chief of Staff

cc: Brian Lamb, Department of Administration