

OFFICE OF THE GOVERNOR  
STATE OF MONTANA

MARC RACICOT  
GOVERNOR



STATE CAPITOL  
HELENA, MONTANA 59620-0801

November 23, 1993

Ambassador Kantor  
United State Trade Representative  
Executive Office of the President  
Washington D.C. 20506

Dear Ambassador Kantor:

I understand that as part of your negotiations with the European Community regarding the GATT Government Procurement Code, you are soliciting commitments from states to voluntarily bind themselves to the provisions of the Code. I further understand that this generally involves a commitment to open public procurement on a nondiscrimination basis to foreign companies.

I support open trade and a reduction in the barriers to free trade. At the same time, however, I must advise that Montana has statutory procurement preferences designed to benefit in-state vendors. I am attaching copies of these statutes. As a result, I am unable to make any commitment which could be interpreted as contrary to these statutes.

The state's preference laws apply to goods and products. Services, professional services and construction contracts are subject to a preference on a "reciprocal" basis only. In other words, if the vendor bidding on the contract is located in a jurisdiction which does not provide local preference then Montana, in turn, does not enforce a preference. Consequently, we are willing to offer these categories of procurement for coverage under the Code for purposes of your negotiations.

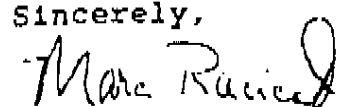
Some of the correspondence we've received from your office mentions an independent study on procurement that has been jointly commissioned between your office and the European Community. I am enclosing a somewhat dated report by the Montana Office of the Legislative Auditor regarding Montana's in-state bidder preferences. I believe that this report provides the best analysis of the state's preference laws and their limited effect on state procurement.

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If you have questions please contact me or Lois Menzies, Director,  
Department of Administration, at (406) 444-2032.

Thank you.

Sincerely,



MARC RACICOT  
Governor

cc: Mr. Matt Schaefer  
National Governors Association

attachments (2)