EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

MAY 27 2005

The Honorable Jon Huntsman, Jr.
Governor of Utah
Office of the Governor
Utah East Office Building
Suite E220
P.O. Box 142220
Salt Lake City, UT 84114-2220

Dear Governor Huntsman: Jon

I want to thank you again for Utah's commitment to cover state government procurement under the World Trade Organization Government Procurement Agreement (GPA) and bilateral free trade agreements (FTAs) that the United States has negotiated. I appreciate your support of our efforts to expand trade opportunities for U.S. exporters in Utah.

The Administration is negotiating FTAs with Panama and the Andean countries of Colombia, Ecuador, and Peru, which will open new opportunities in government procurement. I am seeking your permission to offer these trading partners the same coverage of procurement that Utah has already agreed to provide under the GPA and other FTAs.

In particular, I wanted you to be aware that a new U.S. Government policy will provide increased market access opportunities to your state suppliers and workers if your state chooses to cover some of its procurement. This policy, which is based on reciprocal government procurement policies already used in a number of states, is outlined in further detail below.

Offering state-level coverage in the new FTAs will ensure that the United States can obtain similarly advantageous coverage from our new foreign trading partners and that your suppliers gain access to the sub-federal procurement negotiated in the new agreements. The transparency and other bidding obligations contained in the FTAs will also ensure that our trading partners employ the same type of "good governance" procedures that most states have already adopted. In addition, participation in the FTAs also increases competition for government procurement contracts, lowering the costs of government.

Your agreement would not require Utah to change its current government procurement practices. The procurement provisions will provide the same basic obligations set out in the GPA and previous FTAs, and, like these agreements, will apply only to larger state government purchases (over $477,000 for goods and services and over $6.725 million for construction contracts). Certain state procurements could be excluded from the agreement. For example, some states exclude procurement of construction-grade steel, motor vehicles, or coal.