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See how we cleared a reply

W. Grier



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March 18, 2005

To: EB > FAR
WHA

cc. USTR - ACTION

*cc. Allquist/Dwoskin
Vance
Bentley
Freeman
Wessel
Sandler
Niemeyer*

The Honorable Robert B. Zoellick
Deputy Secretary
U.S. Department of State
2201 C Street Northwest
Washington, DC 20520

Dear Deputy Secretary Zoellick:

I am writing in reply to your letter of January 27, 2005, concerning the free trade agreements you are negotiating with Panama and the Andean nations of Colombia, Ecuador, and Peru. The State of Alaska supports the efforts of the United States Trade Representative and the State Department in expanding the number of countries with free trade agreements with the United States. The negotiation of such agreements can provide greater economic growth throughout the world.

In the last year, Alaska has seen the benefits of expanding international trade as our exports have increased by more than \$400 million to a total of \$3.2 billion in 2004. Alaska has seen both the positive and negative sides of international trade with our foreign sales now increasing for three straight years, after several years of decreases. Having seen the new jobs for Alaskans and the more general boost to our economy that comes from increased international trade, Alaska will strongly support all efforts to lower tariffs and other barriers to trade and increase our economy. To that end, I am happy to support your efforts in Washington for these free trade agreements, and any future agreements, particularly with the Asian nations, which are the core purchasers of Alaska goods.

That being said, I am currently unable to commit the State of Alaska to the voluntary government procurement sections of these agreements. Alaska has at least two statutes that provide for preferences in contracting with Alaska suppliers of goods and services. Furthermore, state law requires all service contracts to be performed within the United States. Finally, state law also prohibits out-of-state solicitation for procurement. Without substantial change to state law, Alaska cannot make the commitments required by the draft free trade agreements.

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I believe that as the United States enters into more free trade agreements with Alaska's international trading partners my state will continue to improve its economy through greater exports. Any agreement that lowers tariffs below World Tourism Organization/General Agreement on Tariffs and Trade commitments, particularly in the tariff bands for fish, timber, minerals, fertilizer, and their derivative products, would benefit the export of goods from Alaska and the Alaskan workers in those industries.

In closing, I would like to congratulate you on your return to the State Department as Deputy Secretary of State and to thank you for all your efforts as the United States Trade Representative. Your efforts have played an important role in strengthening Alaska's economy and have resulted in many new jobs for Alaskans. If you or your staff have any further questions on government procurement, please feel free to contact Charles Abernathy, my associate director for International Trade, at (202) 624-5988 or email cabernathy@ssso.org.

Sincerely yours,



Frank H. Murkowski
Governor

cc: Ambassador Peter Allgeier, Acting U.S. Trade Representative
Representative Rob Forsman, U.S. Trade Representative Designee

Barbara Reynolds