

March 30, 2004

Governor Tim Pawlenty  
Office of the Governor  
130 State Capitol  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155

Governor Pawlenty,

As chair of Jobs, Energy, and Community Development Committee I have closely followed the debate on outsourcing of Minnesota contracts to foreign nations. Legislators and state agencies need to know what our legal authority is to limit outsourcing or give preference to U.S. suppliers or companies.

You have expressed some concern about the issue as shown by your recent executive order.

What is unclear is our state's authority under a number of trade agreements that are currently being negotiated. We need to make sure that we can protect our state's procurement laws if more free trade agreements are passed into law.

As you know, the U.S. Trade Representative has asked Minnesota, along with other states, to give our state's approval to be covered by the new round of trade agreements. Unfortunately, I have received contradictory information about whether you have agreed or not.

According to the USTR website (<http://www.ustr.gov/new/fta/Cafta/text/index.htm>) Minnesota is listed as having agreed to procurement rules under the Central American Free Trade Agreement (CAFTA). (See Chapter 9 – Government Procurement, Annex 9.1 Central Level Government Entities). CAFTA would require Minnesota to treat goods and services of other countries no less favorably than goods and services suppliers from our state or country.

However, a representative of the Department of Administration testified recently to a Senate Committee that you had not agreed to give our state's approval to new free trade rules. We need a clear answer to the following to be able to address this important public policy issue:

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

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

I look forward to your reply as quickly as possible. Thank you in advance for your cooperation.

Sincerely,

Senator Ellen Anderson

Cc: Brian Lamb, Commissioner, Department of Administration