



# The Senate of the State of Texas

## COMMITTEES:

Finance  
Veterans Affairs & Military Installations  
Subcommittee on Base Realignment  
and Closure - Chair  
International Relations and Trade - Vice Chair  
Infrastructure Development and Security

Senator Eliot Shapleigh  
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June 3, 2004

The Honorable Rick Perry  
Office of the Governor  
P.O. Box 12428  
Austin, Texas 78711

VIA: US MAIL

Dear Governor Perry:

I write to express my concern over the push by the United States Trade Representative (USTR) to obtain a blanket sign-off agreement from the state of Texas to be bound to the procurement constraints set forth in a long list of international trade agreements now under negotiation. We urge you to write the USTR to inform him that Texas will not be bound to these pre-emptive rules.

At the time of the USTR letter (September 2003), none of the agreements had been completed. Since then, the Central American Free Trade Agreement (CAFTA) has been completed. Its text was released in early 2004. A number of Texas' procurement policies are inconsistent with CAFTA's procurement rules. For example, CAFTA explicitly prohibits consideration of any source or origin preferences for products purchased by the state, or any non-performance-related requirement of suppliers. Texas currently has preferences for, among other criteria, products made by persons with disabilities, energy efficient products, and Texas agricultural products. In addition, the State would be severely limited in our ability to enact procurement laws that ensure tax dollars are spent responsibly and in a manner that reflects the values of our citizens.

Due to the complicated nature of the issues surrounding trade agreements generally, as well as the specific problems we see in CAFTA's procurement text, urgent action is needed to prevent Texas from being bound by the limitations in these agreements.

I urge you to write to the Office of the USTR to make clear that Texas is not willing to be bound to CAFTA's procurement rules. Our great state has a long history of independence with

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respect to state prerogatives. A letter explicitly stating that Texas will not be bound to these agreements is important because the USTR was seeking blanket sign-off privileges to a long list of future agreements not yet completed. Several state governors that had originally agreed to join CAFTA have subsequently pulled out because of the negative impact on their state's fiscal policy, including Minnesota Governor Tim Pawlenty (R), Pennsylvania's Edward Rendell (D) and Missouri Governor Bob Holden (D). I urge you to do the same.

It is critical to protect the state's authority to keep its current procurement laws and make future laws that reflect our state's values. Thank you for your consideration regarding this issue. Please contact Katherine Saunders of my capitol staff at 512-463-0129 or via email at [katherine.saunders@senate.state.tx.us](mailto:katherine.saunders@senate.state.tx.us) if you have any questions.

Very truly yours,

Eliot Shapleigh

ES/ks

cc: Lesley Ramsey, Texas Fair Trade Coalition

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