March 26, 2004

Secretary Michael Smith 109 State Street Montpelier VT 05609

Dear Secretary Smith,

I have received some inquiries about whether Vermont has become an "official participating partner" in the Central American Free Trade Agreement (CAFTA). My understanding of that agreement is that signed participants must abide by procurement provisions that would prohibit signing parties from providing any job preference to workers in their own state or country.

I have three questions.

First, can you advise to whether Vermont is a participant in CAFTA?

Second, if so, under what authority and what process did Vermont become a participating partner?

Third, if Vermont is a participant, what is the Administration's position as to how the procurement provisions would effect outsourcing of jobs to foreign countries, including countries that have minimal or nonexistent labor or environmental standards?

I am attaching the United States Trade Representatives reference materials that discuss CAFTA and lists Vermont executive branch agencies as participants.

Sincerely,

Sen. Peter Welch President Pro Tempore

PW:rr