

Office of the Governor
Mail Stop: 40002
(360) 753-6780

REFERRAL DIRECTIONS*

Referred To: **Office of Trade and Economic Development**

Action: **For Governor's signature**

CC's: Governor
Brent Heinemann, Protocol
Chief of Staff
Robert Hamilton

Comments: US is currently negotiating trade agreements with Morocco, Australia, the countries of Central American Common Market, and the South African Customs Union - Asking that Washington extend the non-discriminatory protections and procedural disciplines that are already offered by state to the 27 other members of the GPA.

REQUESTING A RESPONSE BY 9/30/03.

Referral Date: 9/15/2003

DUE BACK: 9/29/2003

Return To: Barbara Kendrick

* FOR COMPLETE DIRECTIONS REFER TO CITIZEN RESPONSE TEAM GUIDELINES.

CONTACT INFORMATION

From: The Honorable Robert Zoellick
600 17th Street, N.W.
Washington, WA 20508

Contact Date: 9/15/2003
Contact Type: Mail
Constituent Type: VIP Correspondence

Categories: ECO

Batch: 0 TRADE Log: 533616

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

RECEIVED

SEP 15 1996

OFFICE OF THE GOVERNOR

The Honorable Gary Locke
Governor of Washington
Office of the Governor
P.O. Box 40002
Olympia, WA 98504

Dear Governor Locke:

I am writing to request your assistance in the area of government procurement in our trade negotiations.

The United States already is a member of the World Trade Organization's Agreement on Government Procurement (GPA), an agreement based on the principle of reciprocity that obligates Members to make purchases of goods and services covered by the Agreement in a fair, transparent and objective manner that does not discriminate against the goods and services of the other Members. Washington has been included in the U.S. coverage under the GPA since 1996. By adding coverage of some State government procurements to the negotiated commitments at that time, the United States was able to achieve enhanced access to foreign procurement markets for our manufacturers and suppliers, thereby increasing U.S. exports and creating new jobs.

We are now in the process of negotiating several new trade agreements. Continuing our practice of consulting with interested States, we would like to seek your permission to offer our trading partners, where appropriate, the same treatment that your state already provides to the 27 other Member countries of the GPA. Accordingly, I would like to request that Washington make the same commitment for procurement coverage in our new agreements. Offering state-level coverage will ensure that the United States can obtain similarly advantageous coverage from other governments.

Importantly, Washington is only being asked to extend to those new countries with which the United States is currently negotiating the non-discriminatory protections and procedural disciplines that are already offered by Washington to the 27 other Members of the GPA. We are not requesting that you take on additional commitments that would require Washington to change its current government procurement practices. The procurement provisions will provide the same basic obligations set out in the GPA, and, like the GPA, will apply only to larger government purchases (over \$460,000 for goods and services and over \$6.481 million for construction contracts). The current GPA obligations are summarized in the National Association of State Purchasing Officials (NASPO) publication "*World Trade Organization, Government Procurement Agreement, Implementation Guidelines & Directory of Solicitation Advertising*" (www.naspo.org).

The Honorable Gary Locke
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The only change that would be required of Washington with respect to the government procurement provisions of each new agreement would be to accord that trading partner the same treatment that Washington now gives to the 27 other Members of the GPA once the new agreement enters into force. Attached please find a copy of Annex 2 of the GPA, which lays out the current state-level coverage for the United States.

The United States is currently negotiating trade agreements with Morocco, Australia, the countries of the Central American Common Market (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) and the South African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland). In addition, the negotiation of the Free Trade Area of the Americas Agreement (FTAA), which will be a \$13 trillion market consisting of 34 countries in the Western Hemisphere, is also nearing its final stage. While several of these negotiations are more advanced than others, and some are more likely candidates for consideration of state-level coverage than others, to be most efficient we are requesting that Washington consider coverage for all the countries with which the United States is currently negotiating. If you agree to be covered by these agreements, coverage of your state would only be offered in a particular negotiation if our trading partner(s) were also prepared to provide meaningful access to their markets.

I want to extend my personal appreciation for your consideration of my request, and I hope to be able to count on your support. I hope we can receive a response by **September 30th** as to whether Washington is willing to voluntarily participate in the identified trade agreements upon their entry into force. In the meantime, if the Office of the U.S. Trade Representative can be of any assistance, please feel free to call Christopher Padilla, the Assistant U.S. Trade Representative for Intergovernmental Affairs and Public Liaison, at (202) 395-6120. I look forward to hearing from you.

Sincerely,



Robert B. Zoellick

Enclosure

ANNEX 2

*Sub-Central Government Entities which Procure in Accordance
With the Provisions of this Agreement*

Threshold: 355,000 SDRs for supplies and services
5 million SDRs for construction

List of Entities:

Arizona

Executive branch agencies

Arkansas

Executive branch agencies, including universities but excluding the Office of Fish and Game and construction services

California

Executive branch agencies

Colorado

Executive branch agencies

Connecticut

Department of Administrative Services
Connecticut Department of Transportation
Connecticut Department of Public Works
Constituent Units of Higher Education

Delaware*

Administrative Services (Central Procurement Agency)
State Universities
State Colleges

Florida*

Executive branch agencies

Hawaii

Department of Accounting and General Services (with the exception of procurements of software developed in the state and construction)

Idaho

Central Procurement Agency (including all colleges and universities subject to central purchasing oversight)

Illinois*

Department of Central Management Services

Iowa*

Department of General Services
Department of Transportation
Board of Regents' Institutions (universities)

Kansas

Executive branch agencies, excluding construction services, automobiles and aircraft

Kentucky

Division of Purchases, Finance and Administration Cabinet, excluding construction projects

Louisiana

Executive branch agencies

Maine*

Department of Administrative and Financial Services
Bureau of General Services (covering state government agencies
and school construction)
Maine Department of Transportation

Maryland*

Office of the Treasury
Department of the Environment
Department of General Services
Department of Housing and Community Development
Department of Human Resources
Department of Licensing and Regulation
Department of Natural Resources
Department of Public Safety and Correctional Services
Department of Personnel
Department of Transportation

Massachusetts

Executive Office for Administration and Finance
Executive Office of Communities and Development
Executive Office of Consumer Affairs
Executive Office of Economic Affairs
Executive Office of Education
Executive Office of Elder Affairs
Executive Office of Environmental Affairs
Executive Office of Health and Human Service
Executive Office of Labor
Executive Office of Public Safety
Executive Office of Transportation and Construction

Michigan*

Department of Management and Budget

Minnesota

Executive branch agencies

Mississippi

Department of Finance and Administration (does not include services)

Missouri

Office of Administration
Division of Purchasing and Materials Management

Montana

Executive branch agencies (only for services and construction)

New York*

State agencies
State university system
Public authorities and public benefit corporations, with the exception of those entities with multi-state mandates

In addition to the exceptions noted at the end of this annex, transit cars, buses and related equipment are not covered.

Nebraska

Central Procurement Agency

New Hampshire*

Central Procurement Agency

Oklahoma*

Office of Public Affairs and all state agencies and departments subject to the Oklahoma Central Purchasing Act, excluding construction services.

Oregon

Department of Administrative Services

Pennsylvania*

Executive branch agencies, including:

Governor's Office
Department of the Auditor General
Treasury Department
Department of Agriculture
Department of Banking
Pennsylvania Securities Commission
Department of Health
Department of Transportation
Insurance Department
Department of Aging
Department of Correction
Department of Labor and Industry
Department of Military Affairs
Office of Attorney General
Department of General Services
Department of Education
Public Utility Commission
Department of Revenue
Department of State
Pennsylvania State Police
Department of Public Welfare
Fish Commission
Game Commission
Department of Commerce
Board of Probation and Parole
Liquor Control Board
Milk Marketing Board
Lieutenant Governor's Office
Department of Community Affairs
Pennsylvania Historical and Museum Commission
Pennsylvania Emergency Management Agency
State Civil Service Commission

Pennsylvania Public Television Network
Department of Environmental Resources
State Tax Equalization Board
Department of Public Welfare
State Employees' Retirement System
Pennsylvania Municipal Retirement Board
Public School Employees' Retirement System
Pennsylvania Crime Commission
Executive Offices

Rhode Island

Executive branch agencies, excluding boats, automobiles, buses and related equipment

South Dakota

Central Procuring Agency (including universities and penal institutions)

In addition to the exceptions noted at the end of this annex, procurements of beef are not covered.

Tennessee

Executive branch agencies (excluding services and construction)

Texas

Texas Building and Procurement Commission

Utah

Executive branch agencies

Vermont

Executive branch agencies

Washington

Washington State executive branch agencies, including:

General Administration
Department of Transportation
State Universities

In addition to the exceptions noted at the end of this annex, procurements of fuel, paper products, boats, ships and vessels are not covered.

Wisconsin

Executive branch agencies, including

Department of Administration
State Correctional Institutions
Department of Development
Educational Communications Board
Department of Employment Relations
State Historical Society
Department of Health and Social Services
Insurance Commissioner
Department of Justice
Lottery Board
Department of Natural Resources
Administration for Public Instruction
Racing Board
Department of Revenue
State Fair Park Board
Department of Transportation
State University System

Wyoming*

Procurement Services Division
Wyoming Department of Transportation
University of Wyoming

Notes to Annex 2

In addition to the conditions specified in the General Notes, the following conditions apply:

1. For those states marked by an asterisk with pre-existing restrictions, the Agreement does not apply to procurement of construction-grade steel (including requirements on subcontracts), motor vehicles and coal.
2. The Agreement shall not apply to preferences or restrictions associated with programs promoting the development of distressed areas and businesses owned by minorities, disabled veterans and women.
3. Nothing in this annex shall be construed to prevent any state entity from applying restrictions that promote the general environmental quality in that state, as long as such restrictions are not disguised barriers to international trade.
4. The Agreement shall not apply to any procurement made by a covered entity on behalf of non-covered entities at a different level of government.
5. The Agreement shall not apply to restrictions attached to Federal funds for mass transit and highway projects.