

June 20, 2011

Dear Colleague:

In the coming months, the U.S. Congress will be making critical decisions about the future of U.S. trade policy that will have enormous implications on the practice and principle of federalism. As Congress embarks upon these decisions, it is critical that they consider the potential effects on states' rights and economies. We are writing to ask for your help in sending a joint, bipartisan message to Congress that state sovereignty must be prioritized in U.S. trade agreements. This is urgent, as Congress may consider the most economically significant trade pact since the North American Free Trade Agreement (NAFTA) in the coming weeks – a deal with Korea that replicates many aspects of NAFTA. Please sign this [letter](#) to Congress opposing the NAFTA-style trade deal with Korea.

As the unfortunate evidence has rolled in, the National Conference of State Legislatures (NCSL), our bipartisan association, has passed repeated resolutions highlighting how free trade agreements (FTAs) based on the NAFTA model are a serious threat to state sovereignty. Unfortunately, too many in Congress who will make decisions about our trade policy remain unaware of these threats.

Since implementation of NAFTA, state laws have been repeatedly put at jeopardy through attacks by foreign corporations before the foreign tribunals to whose jurisdiction these NAFTA-style agreements submit the United States. Under these trade pacts, foreign investors can, and have challenged state and federal laws in foreign tribunals demanding U.S. taxpayer compensation for laws they argue violate the special foreign investor privileges guaranteed to them under trade pacts. The NAFTA-style pacts have tied state legislators' hands, threatening our ability to stimulate the local economy and forbidding Buy America and local preferences in procurement policy.

This risk to state sovereignty is why NCSL has consistently demanded that extraordinary foreign investor rights be excluded from trade agreements, including specifically the Korea FTA. However, the NAFTA-style Korea FTA will give the 270 Korean corporate affiliates already in the United States the same foreign investor rights already used to challenge state laws under past NAFTA-style trade pacts.

Further, at a time when states are grappling with budget crises and trying to spur job creation, we are skeptical of more NAFTA-style trade pacts that forbid Buy America/Buy Local policies. These pacts are gutting our middle class. We have seen over 43,000 U.S. small and medium manufacturing firms go out of business and more than 5.5 million American manufacturing jobs lost – gutting our local tax bases and our ability to produce the products we need for our own infrastructure and security since NAFTA. It's estimated that the Korea deal could cost our states 159,000 jobs over the next seven years. The U.S. International Trade Commission says it will further increase the US trade deficit.

We ask that you join us in sending a message to Members of Congress as they consider NAFTA-style pacts with Korea, Colombia and Panama. Please sign this [letter](#) to Congress by July 8. Our states can not afford more NAFTAs.

Please contact Mike Burridge in New York Assembly Member Colton's office at 518-455-5828 or Idaho State Representative George Eskridge at 208-265-0123 with any questions.

Sincerely,



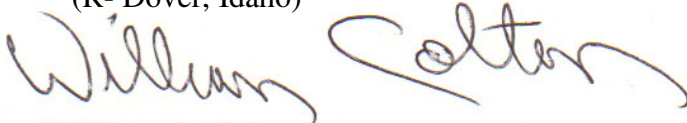
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State Representative George Eskridge  
(R- Dover, Idaho)



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State Representative Mark Pocan  
(D-Madison, Wis.)



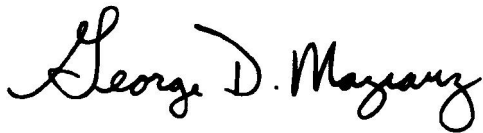
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State Assembly Member William Colton  
(D-Brooklyn, N.Y.)



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State Representative Jeffery Gifford  
(R-Lincoln, Maine)



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State Senator George D. Maziarz  
(R-Wheatfield, N.Y.)



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State Representative Margaret Rotundo  
(D-Lewiston, Maine)



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State Senator Maralyn Chase  
(D- 32<sup>nd</sup> District, Wash.)



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State Representative Larry Halder  
(R-Richland, Wash.)