



House of Representatives State of Utah

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P.O. BOX 145030 • SALT LAKE CITY, UTAH 84114-5030 • (801) 538-1029

July 20, 2009

Chairman Sander M. Levin
Trade Subcommittee
House Ways and Means Committee
1104 Longworth Building
Washington, D.C. 20515

Re: July 21, 2009 Hearing on the Trade Advisory Committee System

Dear Chairman Levin:

Thank you for the opportunity to submit comments on this important topic.

The Utah International Trade Commission's mandate as a legislative study commission is to look at the effects of international trade agreements on the Utah Legislature's regulation of state affairs and to promote international trade relationships with Utah. My commission has communicated with the Office of the United States Trade Representative (USTR) on several matters, including one issue of particular importance to the State of Utah—the settlement of the WTO internet gambling dispute with Antigua. I appreciate USTR withdrawing the WTO-GATS commitment on 'other recreational services' covering gambling, since Utah has an absolute prohibition on gambling activities within our state borders.

As the co-chair of the commission, I am a member of the Inter-Governmental Policy Advisory Committee (IGPAC), which is a Tier Two advisory committee in the trade advisory committee system tasked with representing state and local perspectives to USTR. Not all states have representation on IGPAC. In fact, based on the current roster of IGPAC members found on USTR's website, the majority of states are not represented on IGPAC.

Further, the placement of IGPAC as a Tier Two advisory committee—along with labor and environmental committees—would seem to suggest that state and local governments are treated within the trade advisory committee system as another "interest group." We don't see ourselves as another interest group; rather, we view ourselves as key partners with the federal government in helping our small businesses succeed in the global economy, and as partners to ensure that U.S. federalism continues to thrive in the 21st century.

Taking the current structure as a given, nonetheless we feel that IGPAC has been under-utilized. Although the IGPAC Charter calls for the committee to meet "one or two times per year," in the recent past IGPAC members have had limited opportunities to meet with the U.S. Trade Representative and USTR staff. By way of contrast, our Canadian provincial colleagues tell us that they have regularly-scheduled quarterly meetings with their federal trade representatives.

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With IGPAC's limited access to our federal trade representatives, and the absence of state and local elected officials on other trade advisory committees, I feel that the concerns of U.S. state and local governments are not afforded the consideration that they are due.

In August 2004, the chair of IGPAC proposed the creation of a standing Federal/State International Trade and Investment Policy Commission, with adequate resources and support to enable states to make wise choices in assisting small businesses and in safe-guarding their regulatory authority. I urge Ways & Means Committee members to study the recommendations contained in that document.

At the annual Trade Policy Leadership Seminar convened by the National Conference of State Legislatures (NCSL) and the National Association of Attorneys General (NAAG), members of the Utah International Trade Commission have had a chance to work with other state leaders and devise other possible approaches to improving federal-state consultation on trade. One idea that surfaced in these discussions was support for the creation of an academic center dedicated to the issues of trade and federalism. It is clear that improving federal consultation with states on trade will require more resources and, in particular, greater capacity to produce unbiased legal and economic analysis on trade and federalism issues. I ask Congress therefore to assist in funding a Center on Trade and Federalism, based in a university or a non-profit organization, that would be tasked with:

- Conducting legal policy analysis on potential impacts on state sovereignty resulting from international trade and investment agreements, with a particular focus on services, investment, and procurement agreements;
- Conducting economic policy analysis on trade and investment flows at the community level, and their effect on local job creation or loss;
- Improving trade and investment data collection and dissemination;
- Increasing export promotion collaborations among states; and
- Analyzing the effectiveness of trade adjustment assistance programs.

To summarize, I appreciate the opportunity to communicate with members of the Trade Subcommittee of the House Ways & Means Committee regarding the role and position of state and local governments within the federal trade advisory committee system. I am not dissatisfied with the positioning and utilization of IGPAC. It lacks resources and has not had much opportunity to interact with USTR. As a result, IGPAC is at a competitive disadvantage compared to the trade advisory committees that can count on businesses for financial support. With the difficult fiscal situation faced by states, it is not realistic to expect state governments to be able to support IGPAC's membership.

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Finally, I urge the Trade Subcommittee to consider seriously the proposal by IGPAC for a Standing Commission on International Trade and Investment, as well as the proposal generated at the NCSL/NAAG Trade Policy Leadership Seminar for the creation of a Center on Trade and Federalism.

Thank you,

Representative Sheryl L. Allen
Co-Chair, Utah International Trade Commission