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NATIONAL
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NGA Policy

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EDC-11. GOVERNORS' PRINCIPLES ON INTERNATIONAL TRADE

11.1 Preamble

International trade increasingly has become important to stimulate U.S. economic growth and job creation. Most Governors support existing trade agreements, such as the North American Free Trade Agreement (NAFTA) and the Uruguay Round negotiations on the General Agreement on Tariffs and Trade (GATT), which resulted in the World Trade Organization (WTO). The Governors believe such agreements will continue to create jobs by opening a wide range of opportunities for businesses to expand into foreign markets. As job creators and export promoters, the Governors will continue to be active participants in the formulation of trade policy.

The United States participates in two summits of critical importance to future trade initiatives. The Asia-Pacific Economic Cooperation (APEC) summit held its second meeting in November 1996 in the Philippines. The eighteen member nations of APEC are committed to achieving free trade among APEC's members by 2020. Southeast Asian nations have the fastest-growing economies in the world.

The Summit of the Americas, last held in Miami in December 1994, also concluded with a declaration stressing the need to create a free trade area of the Americas in order to achieve free trade in the western hemisphere by 2005. Latin American nations and the Pacific Rim will be the United States' largest trading partners in the future.

The Governors of the fifty states and the territories of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands support the following trade policy objectives.

11.2 Expand International Trade

The United States Trade Representative (USTR) should expand existing trade agreements in an effort to achieve greater economic prosperity through global free trade. This includes implementation of regional free trade agreements, as expressed in the goals of the APEC summit and the Summit of the Americas, as well as multilateral and sectoral agreements such as the Multilateral Agreement on Investment and the Information Technology Agreement.

11.2.1 NAFTA Expansion. Most Governors support Chilean accession to NAFTA and believe the federal government should encourage other Latin American and Caribbean nations to become parties to the agreement.

11.3 Renew "Fast-Track" Trade Negotiation Authority for the President

The Governors call on Congress to immediately renew fast-track trade negotiation authority for the President, which expired in late 1994. It is important to note that every U.S. President since 1974 has received fast-track trade negotiation authority from Congress. Fast-track authority gives the President the negotiating authority necessary to conclude increasingly complex trade agreements. Without fast-track authority, U.S. ability to expand and open markets around the world will be constrained significantly, and U.S. businesses will likely lose market opportunities and jobs to other countries.

11.4 Ensure a State and Territorial Role in Trade Agreement Negotiation

Federal trade negotiators must be aware of the potential impacts a trade agreement may have on new or existing state or territorial laws. The federal government should consult regularly with states

and territories on the development of specific provisions within an agreement that may have an impact on state or territorial law.

11.5 Ensure a State and Territorial Role in Trade Agreement Implementation

The federal government should ensure an effective state and territorial role in the implementation of NAFTA and subsequent trade agreements and participation in relevant WTO activities. Federal agencies must work with states to address conflicts between state laws and provisions of trade treaties. Effective state and territorial participation requires adequate technical support from federal agencies.

11.6 Promote Effective Coordination Between States and Territories and the Federal Government

11.6.1 Export Promotion. States, territories, and the federal government play significant roles in promoting the export of U.S. goods and services into foreign markets. The federal government should coordinate with states and territories to maximize the effectiveness of federal export promotion programs.

11.6.1.1 Agriculture. States and territories should work with the federal government to ensure support for state and territorial agricultural market development programs, including regional marketing associations, to the extent allowed under international treaties.

If nonagricultural federal export promotion programs are consolidated, the Governors should have input on how those resources will be redirected to state and territorial export promotion programs. The Governors should be provided with the flexibility and discretion to target federal export promotion assistance in a way that will best serve the needs of their individual states and territories, such as the promotion of small and medium-sized businesses or agricultural concerns.

11.6.2 Public Education. States and territories should work with the federal government to expand citizen understanding of the importance of international trade and work with the private sector to develop lifetime educational opportunities that prepare Americans to compete successfully in a changing global economy.

*Time limited (effective Winter Meeting 1997-Winter Meeting 1999).
Adopted Winter Meeting 1997.*

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