

House Bill 3340

Sponsored by Representative WITT (at the request of Oregon Fair Trade Coalition)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Makes findings about effects of international trade agreements on Oregon. Establishes Legislative Assembly's role in trade policy. Establishes Office of Trade Enforcement. Establishes Citizens' Commission on Globalization.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to effects of international trade agreements on Oregon; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Sections 1 to 4 of this 2007 Act may be cited as the Jobs, Trade and De-**
5 **mocracy Act.**

6 **SECTION 2. Findings. The Legislative Assembly finds that:**

7 (1) States have traditionally enjoyed a large degree of autonomy to set their own pro-
8 curement policies under the United States system of federalism.

9 (2) Recent international trade agreements threaten to erode this traditional state au-
10 tonomy by requiring state governments to accord foreign suppliers of goods and services
11 treatment no less favorable than that afforded to in-state suppliers. In addition, the agree-
12 ments stipulate that state contract specifications must not burden trade any more than
13 necessary, and limit supplier qualifications to those that are essential to the performance
14 of the contract.

15 (3) The Governor, not the Legislative Assembly, chose to bind this state to the terms of
16 various international trade agreements upon the request of the United States Trade Repre-
17 sentative.

18 (4) State legislators have an important role to play in preserving state authority over
19 procurement policy. These critical decisions should be made only with the involvement of the
20 state legislatures, and only after the public has been adequately informed and has openly
21 debated the issues involved.

22 (5) It is critical for citizens, state agencies, the Legislative Assembly and other elected
23 officials in this state to have access to information about how trade impacts state legislative
24 authority, the state's economy and existing state laws in order to participate in an informed
25 debate about international trade issues.

26 (6) The current encroachment on state regulatory authority by international commercial
27 and trade agreements has been exacerbated because United States trade policy is being for-
28 mulated and implemented under fast track trade authority procedures. The current grant
29 of fast track trade authority is scheduled to sunset in July 2007.

30 (7) Fast track trade authority, first established in 1974 by then-President Richard Nixon,

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 is outdated and inappropriate, given the diverse range of nontrade issues now affected by
 2 trade agreements. These agreements broadly affect federal and state regulatory authority
 3 over nontrade areas, such as public health and procurement policies. Fast track trade au-
 4 thority should be replaced with a more democratic model for negotiating and implementing
 5 trade agreements, so that elected legislators and ordinary citizens can have a meaningful
 6 voice in determining the content of trade policies.

7 **SECTION 3. Role of Legislative Assembly in trade policy.** (1) It is the policy of this state
 8 that approval for the state to be bound by any trade agreement requires the consent of the
 9 Legislative Assembly.

10 (2) Two state legislative points of contact shall be appointed at the beginning of each
 11 legislative session. The majority and minority leaders in the Senate shall appoint one indi-
 12 vidual to be a point of contact. The majority and minority leaders of the House of Repre-
 13 sentatives shall appoint an individual to be the other point of contact. The Legislative
 14 Assembly declares that the purposes of the points of contact are to:

15 (a) Serve as the state's official liaisons with the federal government and as the Legisla-
 16 tive Assembly's liaisons with the Governor on trade-related matters;

17 (b) Serve as the designated recipients of federal requests for consent or consultation re-
 18 garding investment, procurement, services or other provisions of international trade agree-
 19 ments that impinge on state law or regulatory authority reserved to the states;

20 (c) Transmit information regarding federal consultation with states to the office of the
 21 Governor, the Attorney General, all appropriate legislative committees and the Office of
 22 Trade Enforcement;

23 (d) Issue a formal request to the Office of Trade Enforcement and other appropriate
 24 state agencies to provide analysis of all proposed trade agreements' effects on state legisla-
 25 tive authority and the economy of the state;

26 (e) Inform all members of the Legislative Assembly on a regular basis about ongoing
 27 trade negotiations and dispute settlement proceedings with implications for this state more
 28 generally;

29 (f) Communicate the interests and concerns of the Legislative Assembly to the United
 30 States Trade Representative regarding ongoing and proposed trade negotiations; and

31 (g) Notify the United States Trade Representative of the outcome of any legislative
 32 action.

33 (3) The following actions are required before this state may consent to the terms of a
 34 trade agreement:

35 (a) In a timely fashion, concurrent with trade negotiations, the Governor, the President
 36 of the Senate, the Speaker of the House of Representatives or ranking member of the ap-
 37 propriate legislative committee may submit to the Legislative Assembly, on a day on which
 38 both houses are in session, a copy of the final legal text of the agreement, together with:

39 (A) A report by the Office of Trade Enforcement that must include an analysis of how
 40 the agreement of this state to the specific provisions of the agreement will change or affect
 41 existing state law;

42 (B) A statement of any administrative action proposed to implement these trade agree-
 43 ment provisions in this state; and

44 (C) A draft of legislation authorizing this state to sign on to the specific listed provisions
 45 of the agreement in question;

1 (b) A public hearing with adequate public notice must occur before the Legislative As-
 2 sembly votes on the bill; and

3 (c) The bill authorizing this state to sign on to specific listed provisions of an agreement
 4 that is enacted into law.

5 (4) It is the sense of the Legislative Assembly that the Congress of the United States
 6 should pass legislation instructing the United States Trade Representative to fully and
 7 formally consult individual state legislatures regarding procurement, services, investment
 8 or any other trade agreement rules that affect state laws or authority before negotiations
 9 begin and as they develop, and to seek consent from state legislatures in addition to gover-
 10 nors before binding states to conform their laws to the terms of international commercial
 11 agreements. Such legislation is necessary to ensure the prior informed consent of this state
 12 with regard to future international trade and investment agreements.

13 (5) The Attorney General shall notify the United States Trade Representative of the pol-
 14 icies set forth in subsection (4) of this section in writing no later than January 1, 2008, and
 15 shall provide copies of such notice to the President of the Senate, Speaker of the House of
 16 Representatives, the Governor and the Oregon Congressional Delegation.

17 SECTION 4. Office of Trade Enforcement; Citizens' Commission on Globalization. (1)(a)
 18 The Office of Trade Enforcement is established.

19 (b) The Citizen's Commission on Globalization is established.

20 (2) The Office of Trade Enforcement shall:

21 (a) Monitor trade negotiations and disputes affecting the state economy.

22 (b) Analyze pending trade agreements this state is considering signing and provide the
 23 analysis to the Governor, the Legislative Assembly, the commission and the public.

24 (c) Provide technical assistance to workers and firms affected by unfair trade practices.

25 (d) Provide a trade impact report to the Governor, the Legislative Assembly, the com-
 26 mission and the public no later than January 1, 2009, and annually thereafter.

27 (e) Provide additional research and analysis as requested by the Governor, the Legislative
 28 Assembly and the commission.

29 (3) Each annual trade impact report required under subsection (2)(d) of this section must
 30 include:

31 (a) An audit of the amount of public contract work being performed overseas;

32 (b) An audit of government goods being procured from overseas;

33 (c) A study of trade's effects on state and local employment levels, tax revenues and re-
 34 training and adjustment costs;

35 (d) An analysis of the constraints trade rules place on state regulatory authority, in-
 36 cluding but not limited to the state's ability to preserve the environment, protect public
 37 health and safety and workers' rights and provide high-quality public services; and

38 (e) Findings and recommendations of specific actions this state should take in response
 39 to the effects of trade on this state identified in this subsection. Such actions may include
 40 but are not limited to:

41 (A) Revocation of the state's consent to be bound by the procurement rules of interna-
 42 tional trade agreements;

43 (B) Prohibition of offshore performance of state contract work and preferences for do-
 44 mestic content in state purchasing;

45 (C) State support for cases brought under federal trade laws by residents of the state;

1 (D) State advocacy for reform of trade agreements and trade laws at the federal level;
2 and

3 (E) Implementation of a high-road growth strategy formulated with business, labor and
4 community participation. Such a strategy may include but is not limited to:

5 (i) More effective early warning and layoff aversion measures;

6 (ii) Increased assistance and adjustment programs for displaced workers and trade-
7 affected communities;

8 (iii) Stronger standards and accountability for recipients of state subsidies and incen-
9 tives;

10 (iv) Investments in workforce training and development;

11 (v) Investments in technology and infrastructure; and

12 (vi) Increased access to capital for local producers.

13 (4) Within 30 days of receipt of the annual trade impact report:

14 (a) The Governor shall review the report and issue a public statement explaining which
15 of the report's recommendations for specific action under subsection (3)(e) of this section the
16 Governor will act upon in the next 30 days, whether through executive action or proposed
17 legislation.

18 (b) The Legislative Assembly shall review the report, hold public hearings on the report's
19 recommendations for specific action under subsection (3)(e) of this section, and introduce
20 legislation to enact those recommendations accepted by the Legislative Assembly.

21 (5)(a) The Citizens' Commission on Globalization shall be appointed by the Governor.

22 (b) The following stakeholders shall be equally represented on the commission:

23 (A) Employers;

24 (B) Labor organizations;

25 (C) Community organizations; and

26 (D) State government.

27 (c) The commission shall:

28 (A) Assess the legal and economic effects of trade agreements;

29 (B) Provide input on the annual trade impact report;

30 (C) Hold public hearings on the effects of trade on this state and communities, as well
31 as on the annual trade impact report; and

32 (D) Make policy recommendations to the Governor, Legislative Assembly, the Oregon
33 Congressional Delegation and United States trade negotiators.

34 SECTION 5. The section captions used in this 2007 Act are provided only for the con-
35 venience of the reader and do not become part of the statutory law of this state or express
36 any legislative intent in the enactment of this 2007 Act.

37 SECTION 6. This 2007 Act being necessary for the immediate preservation of the public
38 peace, health and safety, an emergency is declared to exist, and this 2007 Act takes effect
39 on its passage.

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