

**THE COUNCIL OF STATE GOVERNMENTS
RESOLUTION ON OPEN AND RECIPROCAL TRADE**

Resolution Summary

Canadian Provinces and U.S. states have expressed concern that trade relations are being damaged by the 'Buy American' clause introduced in the 2009 American Recovery and Reinvestment Act (ARRA). The clause favors U.S. products for use in public works projects. Given the integration of manufacturing across the Canada-US border and to avoid a parallel Canadian policy, discussions are taking place between the Canadian and U.S. governments concerning a possible Canadian exemption to the 'Buy American' provision of the ARRA.

Additional Resource Information

- National Assembly of Quebec: www.assnat.qc.ca
- Office of the United States Trade Representative (USTR): www.ustr.gov

Management Directives

Management Directive #1: CSG will share this resolution with the Office of the United States Trade Representative and other appropriate federal, state and provincial officials.

Management Directive #2: CSG staff will post approved resolution on CSG's web site and make available through its regular communication venues at the state and local level to ensure its distribution to the state government and policy community.

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WHEREAS, the States of the United States and the Provinces of Canada are the largest trading partners in the world; totalling \$560 billion in trade in 2007; and

WHEREAS, The Council of State Governments celebrates this and promotes free, open and reciprocal trade as it will strengthen the economies of both nations; and

WHEREAS, trade between the United States and Canada supports 7.1 million American jobs; and

WHEREAS, Canada is a larger market for U.S. goods than all 27 countries of the European Union combined, whose population is more than 15 times that of Canada; and

WHEREAS, Canada is the leading export destination for 35 states, and ranks top three (3) for another 10 States; and

WHEREAS, The Council of State Governments believes it is important that the U.S. and Canada maintain their commitment to keeping their respective markets open and accessible to Canadian and American producers of goods and services as this advances the goal of North American competitiveness and will help strengthen the economic structure within both countries.

NOW, THEREFORE BE IT RESOLVED, that The Council of State Governments encourages local, state and provincial governments to adopt open procurement policies within our region and between our two countries.

NOW BE IT FURTHER RESOLVED, that The Council of State Governments undertake concerted efforts to build regional awareness and appreciation for the mutual benefits of the open two-way trade system that exists between Canada and the United States.

NOW BE IT FURTHER RESOLVED, that this resolution be submitted to appropriate federal, state and provincial officials.

Adopted this ____ Day of November, 2009 at the CSG Annual Meeting in La Quinta, CA.

Gov. Joe Manchin III
CSG President

Sen. Bart Davis
CSG Chairman

