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The May 10, 2007 Trade Policy Deal and Its Potential Impact at State Level

-- Briefing for NCSL Committee On Labor & Economic Development --

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August 2, 2007



The Briefing Will Cover

- May 10 Trade Policy Deal
- Trade Issues of Concern to States
- Labor Policies & Trade



May 10 Trade Deal: Context

- Globalization anxiety
- “Competitive liberalization” & FTAs
- TPA system for implementing agreements
- Jan. 2007 change in control of Congress



May 10 Trade Deal: Elements and Coverage

Elements

- Labor
- Environment
- Intellectual Property
- Investment
- Procurement
- Security

Coverage

- FTAs
- Multilateral
- Other aspects of US trade policy



May 10 Trade Deal: Implementation

Assumed

- Congressional votes
- TPA Consideration

Actual

- Peru/Panama
- Colombia/Korea
- TPA



Trade Issues of Concern to States: Government Procurement

- Affected by bilateral and multilateral deals
- May 10 deal not directly relevant to State concerns
- Need for better analysis of State gains & losses via procurement commitments



Trade Issues of Concern to States: Investment

- Affected mainly by bilateral trade deals
- State concerns addressed in May 10 deal, but not fully resolved
- Implications for State regulatory flexibility



Trade Issues of Concern to States: Service Sector Regulation

- Affected mainly by multilateral agreements
- State concerns not directly addressed in May 10 Trade Deal
- State sensitivities better understood today



Other State Concerns

- Gambling
- Environment
- Divestment



Trade & Labor Policies

- Context
 - Open US Market
 - Weak adjustment policies
 - Hodgepodge of intl labor standards
 - Trade and job churn
- Battleground
 - Unilateral - no
 - Multilateral - maybe
 - **Bilateral - yes**
- Protagonists' Objectives
 - Avoiding race to bottom
 - Leverage to change US policy



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