

January 28, 2015

The Honorable Chris Christie Governor of New Jersey P.O. Box 001 Trenton, NJ 08625

Dear Governor Christie:

The National Foreign Trade Council, an association of some 250 American companies engaged in international trade and investment, has written you in the past to urge you to veto Buy America legislation, A.3059, which has reached your desk. The bill would require New Jersey government agencies to certify that products procured are "mined, produced or manufactured in the United States.

A.3059 contains a sweeping procurement mandate for all New Jersey agencies "including contracts for public works for which the State pays any part of the cost, that only products that are manufactured or farm products of the United States, will be used to fulfill those contracts."

If enacted A. 3059 would substantially increase the cost to New Jersey taxpayers of vital infrastructure projects by requiring a preference for domestic manufactured goods. This is because the global supply chains involved in the production of many manufactured goods involves foreign assembly and components. Not only does exclusion of foreign content for procurement inevitably require the state to purchase products at a higher cost, the disclosure requirement for companies bidding on contracts could cause competitive suppliers to forego bidding.

A.3059 is in conflict with the commitment of the U.S. government to nondiscriminatory public procurement under the WTO Government Procurement Agreement (GPA). Although New Jersey has not acceded to the GPA and is consequently technically not bound by its provisions, A.3059 is clearly at odds with the international commitments of the United States.

I urge you to veto A.3059 because of the negative impact on the economy of New Jersey, the cumbersome disclosure requirements for contractors and its conflict with national policy on public procurement.

Sincerely,

William A, Reinsch

President