

EXECUTIVE CHAMBERS

HONOLULU

July 1, 2006

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2199

Honorable Members
Twenty-Third Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 2199, entitled "A Bill for an Act Relating to International Trade Agreement."

The purpose of this bill is to provide that procurement provisions in international trade agreements shall not be valid as applied to the State unless the Legislature votes to approve those procurement provisions. Certain existing international trade agreements that contain procurement provisions requested the individual states to consent to be bound to the agreements. In the past, governors of Hawaii had given the State's consent. This bill henceforth requires legislative action to give that consent.

This bill is objectionable for the following reasons. First, the federal government's requests to the states to consent to be bound to international trade agreements frequently come with short notices and specific deadlines. House Bill No. 2199 does not address how the State will timely respond to these deadlines when the Legislature is not in session.

Second, the timing of this bill raises the question why the Legislature did not object to the ability of prior governors to bind the State to such international trade agreements but does not support this authority for the existing Governor.

Third, the procurement provisions of these international trade agreements are usually reciprocal. If the Legislature cannot or does not act in time to commit the State to these reciprocal agreements, there may be serious consequences for the conduct of business in Hawaii. The Department of

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Accounting and General Services believes, and I agree, that the Legislature's involvement in the review of these international trade agreements could result in foreign companies not conducting business in Hawaii and Hawaii companies being prevented from conducting business in other countries.

For the foregoing reasons, I am returning House Bill No. 2199 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read "Linda Lingle", written in a cursive style.

LINDA LINGLE
Governor of Hawaii