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Legislature may stack trade deck

Bill plays favorites while handing out Colorado contracts. Critics say the plan would bring retaliation against local firms that bid for work overseas. Some expect a veto from Gov. Owens.

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State lawmakers could pass as early as today a bill that would grant priority to U.S. firms bidding on certain state contracts and therefore give Colorado-based businesses a leg up on foreign-based competitors or those with overseas operations.

Labor unions nationwide have voiced support for similar bills, including one in Maryland that became law last year.

Critics of the bill say it would force the state to pay more for certain products and services by overlooking companies that submitted better bids. It could also prompt other countries to retaliate against Colorado companies that bid for work overseas, according to free-trade proponents.

"This is bad legislation," said Jim Reis, president of the World Trade Center Denver. "It sends the wrong message about Colorado to international businesses."

Year-end 2005 exports from Colorado are estimated at near \$7 billion, and more than 2,000 companies in Colorado are engaged in international trade.

The House approved its version of the bill last month by a 55-8 vote. It is up for a third reading today in the Senate, which passed it 18-17 in a preliminary vote this month.

If passed, the bill would apply to construction contracts of more than \$7.4 million and other state contracts of more than \$526,000.

Sen. Deanna Hanna, D-Lakewood, who resigned this week amid an ethics investigation, sponsored the bill in the Senate.

The bill's sponsor in the House, Democrat Paul Weissmann of Louisville, said he was confident the Senate would pass the bill.

However, Weissmann added, "I wouldn't be surprised" if Gov. Bill Owens vetoed it.

Owens has concerns about how the bill could hinder the state's ability to compete in a global economy, said spokesman Dan Hopkins.

It "could limit the state's ability to attract foreign businesses," Hopkins said.

The bill would also require approval from the legislature anytime the governor wanted to add Colorado's name to an international trade agreement.

"We think it's a good idea," said Todd Tollefson, a Seattle-based official with the Communications Workers of America, a labor group. "Just having the law doesn't negate trade agreements, it just means there will be more oversight from elected officials."

Said Weissmann: "It's a (matter of) separation of powers in government more than free trade. It's bad for us if we enter a trade agreement without a debate."

The Senate is considering amending the bill so that only future trade agreements are subject to review, not existing ones.

Stuart Anderson, executive director of the **National Foundation for American Policy**, said the bill could potentially be deemed unconstitutional.

"States should not be making international trade policy," said Anderson, based in Arlington, Va. "That's the purview of the federal government."

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