

Client Alert

International Trade & Litigation Practice Group

March 12, 2013

Canada Seeks “Buy American” Concessions in Trans-Pacific Partnership Talks

The 16th Round of Trans-Pacific Partnership (TPP) talks are ongoing in Singapore through March 13, 2013. Along with Mexico, Canada is one of the two newest parties to the negotiations that began in 2010 among Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, the United States, and Vietnam.

Canada has wasted little time in pursuing concessions with regard to the Buy American Act (BAA) provisions of U.S. law. According to press reports, a Canadian proposal presented in Singapore would allow firms from within TPP countries to bid on projects funded by central government monies even if those projects are carried out by local government bodies within the country in question. This push is directly opposite to the position taken by the United States in earlier rounds, which sought to limit government procurement proposals to the central government level. Other reports are that Canadian industry groups, including Canadian Manufacturers and Exporters, have urged the Government of Canada aggressively to pursue TPP negotiations as a means of reducing or eliminating BAA requirements.

Readers of past Client Alerts on this topic may recall that 69 members of Congress wrote President Obama last summer to voice “strong support of Buy American procurement policies” in the TPP context. Canada’s positions would appear to validate the concerns voiced in that letter about the potential impact that any TPP could have on BAA as a policy tool for growing jobs and linking government procurement expenditures directly to the U.S. economy.

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For more information, contact:

J. Michael Taylor
+1 202 626 2385
jmtaylor@kslaw.com

Joseph Laroski
+1 202 626 2647
jlaroski@kslaw.com

Patrick J. Togni
+1 202 626 2958
ptogni@kslaw.com

King & Spalding
Washington, D.C.
1700 Pennsylvania Avenue, NW
Washington, D.C. 20006-4707
Tel: +1 202 737 0500
Fax: +1 202 626 3737

www.kslaw.com