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EXECUTIVE OFFICE OF THE PRESIDENT THE UNITED STATES TRADE REPRESENTATIVE WASHINGTON, D.C. 20508

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FEB 1 5 2008

Delegate James W. Hubbard The Maryland House of Delegates Annapolis, Maryland 21401

Dear Delegate Hubbard:

Thank you for your letter regarding the communication you received from the government of China on your proposed legislation to protect children from lead-containing products. I strongly support the goal of ensuring the safety of imported goods. To this end, I have assigned a team of professionals within USTR to work with other agencies, the importing community, and our trading partners on the roadmap laid out by President Bush in the "Action Plan for Import Safety."

Let me assure you that no one in the Administration has encouraged China or any other country to bring a trade case against state or federal legislation. We have been careful to ensure that our international trade agreements safeguard the right of governments to enact laws and regulations to protect human health and safety. The authority of the Maryland General Assembly to take action to protect the children of Maryland is beyond question.

We have also been successful in convincing other governments to follow the same kinds of fair and transparent decision-making that Maryland, our other states, and the federal government apply in developing product regulations. As a result of our efforts, our key trade agreements provide a mechanism for U.S. businesses and organizations to learn of, and provide comments on, proposed regulations around the world that may affect U.S. commercial interests. The World Trade Organization includes a procedure that requires foreign governments to notify us of their proposed product regulations. This procedure makes it possible for the many small businesses in Maryland that sell their products in foreign markets to receive notice of, and submit comments on, proposed foreign regulations.

These kinds of transparency procedures are reciprocal, of course, and we notify other governments of proposed U.S. product regulations as well. While foreign governments and companies may seek to comment on our proposed regulations — as they are free to do anyway in this country — our states and the federal government remain fully empowered to take action needed to protect the public.

The WTO notification system normally calls for us to notify proposed agency regulations rather than federal or state legislative proposals. We learned several weeks ago that our notifications had inadvertently included certain state legislative proposals. We have since asked the National

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Institute of Standards and Technology, which provides U.S. notifications, to ensure that it is not inadvertently notifying state legislative proposals in the future.

Thank you again for your letter and please contact our office if you have any other questions.

Sincerely,

Susan C. Schwab