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Recovery, Buy America, and the States

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Recovery Act by the numbers...

The largest spending bill in American history:

- **Stimulus Spending** (\$264 billion) – energy, education, transportation, unemployment, etc.
- **Tax Cuts** (\$288 billion) – \$400 tax credit for individuals earning less than \$75,000.
- **Long-term Investments** (\$100 billion) – Grants for research, rail, broadband, etc.
- **State Fiscal Relief** (\$135 billion)



Summary of Border States' Recovery Act Funds

Border States	Awarded Funds (9/30/2009)	Obligated Funds (9/30/2009)	Percent of Obligated of Awarded Funds
Idaho	\$1,222,995,124	\$246,099,727	20.12%
Illinois	\$6,425,353,559	\$2,475,986,702	38.53%
Indiana	\$3,046,340,935	\$848,420,351	27.85%
Maine	\$754,150,076	\$158,730,823	21.05%
Michigan	\$5,210,979,620	\$1,246,886,826	23.93%
Minnesota	\$2,575,089,480	\$569,022,073	22.10%
Montana	\$877,010,517	\$135,535,988	15.45%
New Hampshire	\$696,066,327	\$156,618,559	22.50%
New York	\$10,599,031,205	\$1,270,825,148	11.99%
North Dakota	\$698,697,685	\$193,684,378	27.72%
Ohio	\$5,056,329,654	\$869,814,143	17.20%
Pennsylvania	\$4,527,781,391	\$428,596,627	9.47%
Vermont	\$471,106,759	\$126,537,555	26.86%
Washington	\$5,425,578,941	\$1,363,123,760	25.12%
Wisconsin	\$2,411,740,471	\$733,726,315	30.42%



States and Buy America...

Unlike Canadian provinces, states lack both the staff capacity and the national policy access necessary to play a significant role in trade policy formation. While provinces are capable of making informed decisions on market access offers and other policy changes, states lack the ability to even analyze their existing obligations under the WTO GPA and recent bilateral FTA's.



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Implementing a Deal...

In the first months after enactment, states struggled to develop contract models compliant with Buy America provisions. They are overwhelmed just implementing the Recovery Act much less connecting it to our trade obligations. Any agreement reached between the two federal governments will require rapid outreach to the states.



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Looking forward...

The Buy America debate has exposed a weakness in America's trade policy posture. States don't have the capacity to analyze their own trade obligations and the federal government has largely ignored the problem. States will need to invest in trade policy capacity in the years ahead and USTR will need to ensure that obligations negotiated are followed through at the state level.



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Fostering lasting **recovery**...

If the Recovery Act is going to deliver more than just a temporary shot of adrenaline into the economy, state leaders will need to work creatively to use multiple streams of Recovery Act funds to implement broader economic development strategies. They will also need to pursue partnerships with neighboring states and provinces.



The River Walk and the Research Triangle...

The Recovery Act will not create the infrastructure legacy of the New Deal, with transformational public assets such as the San Antonio river walk.

However, communities that take a strategic approach to stimulus funding could transform local economies much the way that North Carolina used federal research funding to build the Research Triangle. Getting there will take state and local

leadership



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For further assistance
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