

SECTION 2. AND BE IT FURTHER ENACTED, That each insurance producer subject to this Act shall have completed the continuing education requirements related to flood insurance on or before September 30, 2006.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2004.

May 25, 2004

The Honorable Michael E. Busch
Speaker of the House
State House
Annapolis, MD 21401

Dear Mr. Speaker:

In accordance with Article II, Section 17 of the Maryland Constitution, today I have vetoed House Bill 183 – *Procurement – Services Rendered in Foreign Country*.

House Bill 183 authorizes procurement officers to consider whether a contractor or subcontractor will render a contract for services from a site that is outside the United States unless the contract for services is related to a proceeding or event outside the United States.

We live in a global community and strive to be good neighbors with all cultures of the world. Many of the goods and services enjoyed by the citizens of Maryland were manufactured in foreign countries. The services that the citizens of Maryland have come to expect, such as 24-hour, on-call information technology assistance, are made possible because of contracts outsourced to foreign countries. House Bill 183 could hinder the ability of State agencies to procure the services that provide round-the-clock customer assistance by utilizing the “follow-the-sun” system of service.

Since 1995, the United States has been part of the World Trade Organization (WTO), the only global international organization managing rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world’s trading nations and ratified in their parliaments. Their goal is to help producers of goods and services, including exporters and importers, conduct their business. Implementation of House Bill 183 could have a negative effect on Maryland’s business economy and could potentially violate U.S. laws and agreements relative to international trade.

The Attorney General of Maryland has stated in a letter of advice that there are “mixed” holdings in the case law governing restraints on foreign outsourcing. Courts are divided on whether bills similar to House Bill 183 would violate the Commerce Clause of the U.S. Constitution or any other federal trade agreement. I believe that the criteria proposed by this bill suggest discrimination towards the international community and is inconsistent with the public policy interests of this Administration.

A major flaw in House Bill 183 is its ambiguity and its potential for misuse in future procurements. In addition, the bill would have unintended consequences on current companies that contract with Maryland but outsource certain contractual