

10/26/98

Dwight Pelz
Kent Pullen
Larry Gossett
Maggi Fimia
Brian Derdowski

Introduced By:

clerk 12/14/98
MC

Proposed No.:

98-663

MOTION NO. **10602**

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

A MOTION expressing Metropolitan King County Council Opposition to provisions of the Draft Multilateral Agreement on Investment (MAI), its commitment to future actions on this proposed trade agreement, and requesting the Office of the Prosecuting Attorney to examine the potential effects of the NAFTA and MAI on King County government.

WHEREAS, the United States government has been negotiating a Multilateral Agreement on Investments (MAI) through the Organization for Economic Cooperation and Development (OECD); and

WHEREAS, the MAI, as currently drafted, would grant international investors special rights outside the normal legal frameworks of the participating countries; and

WHEREAS, the Western Governors' Association passed a resolution objecting to the provisions of the MAI, following review of their report titled, "Multilateral Agreement on Investments: Potential Effects on State and Local Government" that identifies potential impacts, such as; limiting policies that favor local business, investment incentives, performance requirements, land use, and environmental regulations; and

WHEREAS, the National Association of Counties passed a resolution that: "...urges the Administration not to agree to any provisions in the MAI draft text or similar

1 provisions of any international agreement that would preempt local governments' authority
2 or ability to regulate activities within its jurisdiction"; and

3 WHEREAS, the Special Committee on the MAI of the Legislative Assembly of
4 British Columbia, Canada, passed a resolution rejecting the fundamental basis of the MAI
5 negotiations and has committed itself to an open, public process to examine the many
6 implications of the proposed agreement; and

7 WHEREAS, the "National Treatment" provisions of the MAI draft text would
8 prohibit the use of domestic procurement preferences and subsidies and other benefits to
9 local businesses for the purpose of encouraging local economic development; and

10 WHEREAS, the MAI, if adopted in its current form, would create a dispute
11 resolution mechanism to be utilized by investors for claims against local governments
12 which would be external to the United States federal court system and, therefore,
13 unrestricted by existing judicial interpretations of the Constitutional principles; and

14 WHEREAS, the expropriation provisions of the MAI utilizes broad international
15 law definitions to define "expropriation", and applies to any act where a government
16 authority denies a person or company of some benefit of property.

17 WHEREAS, the MAI contains no public policy exception to the requirement to pay
18 compensation even in an action to protect public health or environmental quality.

19
20 NOW, THEREFORE BE IT MOVED that the King County council:

- 21 1. opposes the Multilateral Agreement on Investment, in its current draft form, especially
22 provisions which undermine local governments' authority to pass laws regarding
23 environmental protection, fair labor practices, and local economic development; and

- 1 2. respectfully requests the Office of the Prosecuting Attorney to study and report on the
- 2 effects of both NAFTA and the MAI to determine and to brief the council on the effects
- 3 and obligations of these international agreements on King County government; and
- 4 3. expresses its profound concerns with the MAI to the Washington State Congressional
- 5 Delegation and respectfully requests to be advised and considered in further
- 6 deliberations or actions regarding the MAI; and
- 7 ~~4~~ expresses its interest in working jointly with the British Columbia Legislative
- 8 Assembly to consider strategies for direction to the State Department in consideration
- 9 of the MAI.

10 PASSED by a vote of 13 to 0 this 14th day of December,

11 1998.

12 KING COUNTY COUNCIL
 13 KING COUNTY, WASHINGTON

14 *Louise Milla*
 15 Chair

16 ATTEST:

17 *Annex*
 18 Clerk of the Council

19 Attachments:

20