

TPP Free Zone Resolutions: Inspired by Resistance to the Multilateral Agreement on Investment (MAI)

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In the late 1990s, strong resolutions were passed in the United States and Canada, expressing opposition to the Multilateral Agreement on Investment (MAI), with some calling for MAI Free-Zones to be established. This precedent can help inform our strategy to defeat the Trans-Pacific Partnership (TPP) and other onerous trade agreements.

What is the MAI? This proposed agreement among industrialized countries was negotiated in secret through the Organization for Economic Cooperation and Development (OECD) for the benefit of financial institutions and corporations.

When negotiations, which began in 1995, were almost complete, the text was leaked in January 1997 via Polaris Institute in Canada and posted on Public Citizen's website. As a result, the first global campaign against a corporate-inspired trade agreement was launched. The campaign combined effective use of the internet with on-the-ground organizing. To the astonishment of negotiators, the MAI was defeated in late 1998.

Resolutions passed in the US and Canada against the MAI provide an inspiration for our work today. What follows is a synopsis of some of the material posted on Public Citizen's Global Trade Watch website at www.citizen.org/Page.aspx?pid=3830

Western Governors Association: The western governors led the way when they adopted a path-breaking resolution which used NAFTA & GATT implementing legislation to establish key reference points. These included

- protection of state sovereign immunity
- prohibition of lawsuits against states or state officials
- state consultation required for
 - implementing trade agreements
 - defending against international challenges to state measures

The Western Governors resolution stated that Federal government must maintain these state protections in relation to the MAI. Specifically,

- State laws must not pre-empted in order to comply with MAI.
- Monetary damages must not be recouped from states for violating MAI rules.

The bottom line was that the MAI must be written so as to protect state sovereignty.

California Democratic Party: California Democrats adopted a resolution opposing the MAI which stated:

“Therefore, Be It Resolved, the California Democratic Party goes on record in opposition to the Multilateral Agreement on Investment and urges all elected officials to oppose it; and....

“Be It Further Resolved, the California Democratic Party supports the efforts of coalitions to persuade city councils in California and across the country to adopt resolutions declaring their cities MAI-free zones.

Texas Democratic Party: Texas Democrats passed a resolution stating
“Whereas, the MAI constitutes a threat to our democratic form of government...”

demanding that the US... “call off negotiations on the current draft of the MAI immediately...”

and renegotiate the MAI ... “with full participation of non-governmental organizations representing citizens' interests in the areas of human rights, labor, environment, small business, and public health, equal to the level of participation granted corporate lobbyists....”

National Association of Counties: With a focus on protecting the regulatory authority of local government, county representatives resolved

“THEREFORE, BE IT RESOLVED that the National Association of Counties urges the Administration not to agree to any provisions in the MAI draft text or similar provision **of any international agreement** that would preempt local governments ability to regulate activities within its jurisdiction.”

This language is sufficiently general that it could be used today against the TPP.

Association of Washington Cities: Representative of cities in Washington State declared that elected officials have the right to act in the best interests of their constituents.

“The Association of Washington Cities supports the right of local elected officials to establish policies in the best interests of their constituents, and opposes the MAI to the extent that it violates this principal.”

American Library Association: The ALA’s Social Responsibilities Round Table adopted resolution declaring that developing countries must be represented in the negotiations and that intellectual freedom must be protected. They resolved

“... that the Social Responsibilities Round Table of the American Library Association declares its opposition to the continued negotiation of the MAI until such time as the negotiations are opened up to representation by developing countries and by non-governmental organizations dedicated to protecting intellectual freedom, environmental, labor and consumer interests:...”

Berkeley CA : The City Council opposed the MAI stating in their resolution

“NOW THEREFORE BE IT RESOLVED, that the City Berkeley opposes the Multilateral Agreement on Investment because it would eliminate Berkeley's right of oversight and local sovereignty; and

“BE IT FURTHER RESOLVED, that the City of Berkeley hereby urges its state and federally elected officials and lobbyists **to not support** the Multilateral Agreement on Investment.”

San Francisco CA: The Board of Supervisors stated their concerns regarding public procurement and local economic development. Their resolution

“urges its state and federally elected officials and lobbyists to actively protest any provision in the MAI draft text or similar provision of any international agreement that would restrict San Francisco's ability to

- regulate within its jurisdiction,
- decide how to use its public procurement dollars, and
- extend benefits to encourage local economic development in a manner consistent with the U.S. Constitution.”

Boulder CO: The city passed a resolution in opposition to the MAI which

“urges its state and federal elected officials to oppose the MAI because it would unacceptably limit Boulder's right of **local oversight and sovereignty**....”

Similar resolutions were passed in

- **Olympia WA**
- **Metropolitan King County WA**
- **Oakland CA**

Across the border in Canada resolutions were being passed as well.

Tecumseh, Canada: The municipality declared itself to be an MAI Free Zone.

“THEREFORE BE IT RESOLVED that the Corporation of the Town of Tecumseh urges the Government of Canada to end its participation in negotiations on the Multilateral Agreement on Investment; and further...

—“That the Corporation of the Town of Tecumseh declares Tecumseh **to be a "MAI-Free Zone;"** and further...”

Federation of Canadian Municipalities: They joined together to demand exemption for provincial and local jurisdictions from the MAI, voting to

“petition the Prime Minister of Canada to have the chief negotiator for the Multilateral Agreement on Investment file a permanent and explicit exemption in the Agreement, **limiting its application to areas of federal jurisdiction.**”

Vancouver, Canada: Passed a resolution calling for all negotiations to cease and for the exemption of all provinces and local jurisdictions.

Toronto, Canada: Along with seven other Canadian municipalities, Toronto passed a resolution demanding consultation.

This demand for consultation in Canada was being promoted as a demand by organizers in many of the OECD countries. This specific demand, backed up by the many anti-MAI resolutions, forced the negotiators to agree to pause for public consultations. Not much really happened in the United States, but France proceeded with a rather robust consultation process. What they heard was a resounding NO to the MAI. France pulled out and efforts by the United States to revive the negotiations failed. The negotiations were officially ended by the OECD in December 1998. The carefully constructed secret agreement came tumbling down.