

**Austin City Council - October 31, 2002**  
**El Paso City Council – January 21, 2003**

### **Resolution on Local Authority in Trade and Investment Agreements**

**Whereas**, the U.S. Trade Representative (USTR) is negotiating to create a Free Trade Area of the Americas (FTAA) among 34 nations of the Western Hemisphere, create bilateral agreements such as the U.S.-Chile agreement, expand the General Agreement on Trade in Services (GATS), interpret the investment chapter of the North American Free Trade Agreement (NAFTA), and potentially to add an investment agreement under the World Trade Organization (WTO).

**Whereas**, all of these international negotiations serve to shift power away from state and local governments by including provisions on investment, procurement and trade in services.

**Whereas**, core functions of state and local government such as protection of ground water and other natural resources, corporate ownership of land, zoning, law enforcement by courts, and sovereign immunity will be undermined by investment agreements which increase foreign investor rights over and beyond the power of the state and local government.

**Whereas**, state and local purchasing preferences including small business, minority and women-owned business, vendors with a competent track record, recycled content, and avoidance of goods made with forced child labor will be limited by procurement agreements which are based on the standard that government purchasing decisions should be limited to price.

**Whereas**, services that are traditionally provided or regulated by cities and states, including water and energy, health facilities, insurance, sewerage, solid waste, construction and alcoholic beverages, must not be "more burdensome to trade than necessary" under agreements on trade in services making it possible for trade panels to rule against public interest laws that are deemed burdensome to trade.

**Whereas**, serious concerns about these agreements have been raised by the National League of Cities, the National Conference of State Legislatures, the National Association of Counties and the National Association of Attorneys General.

**Now, be it resolved, that** Congress and the USTR should preserve the traditional powers of state and local governments as they negotiate and act upon international agreements by:

- \* protecting state and local governments' legislative power in the scope of investment, services and procurement agreements, and
- \* where such protection has not been achieved, assuring that such international rules do not deviate from traditional deference to state and local regulatory authority, and
- \* safeguarding state and local regulation within GATS rules on Domestic Regulation and limiting application of those rules to specific commitments made by countries.

**Be it further resolved**, that the Texas legislature should create a select committee to assess the potential impact of international trade agreements on state and local governments and to keep abreast of negotiations in order to advise the USTR on safeguarding state and local authority.

**And be it further resolved,** that the USTR should not deny state and local officials access to negotiating documents necessary for such officials and their constituents to assess the potential impacts of such negotiations on their legitimate authority.