

**Burlington City Council  
Burlington, VT  
April 9, 2002**

**Resolution Relating to FREE TRADE AREA OF THE AMERICAS (FTAA)**

In the year Two Thousand One Resolved by the City Council of the City of Burlington, as follows:

That WHEREAS, the proposed Free Trade Area of the Americas (FTAA) is an effort to expand the North American Free Trade Agreement (NAFTA) to the entire Western Hemisphere; and

WHEREAS, the FTAA was initiated in 1994 by the 34 countries of North and South America (excluding Cuba) and would create the world's largest free market zone -effecting 650 million people and \$9 trillion in capital; and

WHEREAS, if adopted, the FTAA (like NAFTA) will further erode employment opportunities in the U.S. as even more jobs are moved to low-wage countries; and

WHEREAS, the US Trade Representative has said that the FTAA is likely to include NAFTA's Chapter 11, which authorizes investor to state" lawsuits that allow corporations to sue over government actions (e.g., zoning, environmental or health measures) that have the 'effect' of limiting the value of an investment, and that such government actions would be forbidden unless compensation is paid by the government; and

WHEREAS, such a "regulatory takings" clause would further threaten the sovereignty of local and state governments, which are already under attack from NAFTA's Chapter 11,<sup>1</sup> and encourage an environmental and public health race to the bottom; and

<sup>1</sup> A few examples of NAFTA Chapter 11 actions include  
(Source: Public Citizen, Global Trade Watch):

- a. The Canadian funeral home chain Loewen Group used NAFTA investor protections to sue the U.S. government for \$750 million in cash damages after a Mississippi court found Loewen guilty of malicious and fraudulent practices that unfairly targeted a local small business. (NAFTA permits companies to sue governments over rulings or regulations that may potentially limit their profits.) Loewen argues that the very existence of the state court system violates its NAFTA rights.
- b. U.S.-based Ethyl Corporation forced Canada to pay \$13 million in damages and drop its ban on the dangerous gasoline additive MMT, a known toxin that attacks the human nervous system.
- c. U.S.-based Metalclad Corp. sued a Mexican state to allow a toxic waste disposal site, claiming that the environmental zoning law forbidding the dump constituted an effective seizure of the company's property - a seizure that, under the property rights extended by NAFTA (and to be perpetuated in FTAA), requires that the offending government compensate the company.

WHEREAS, the U.S. government is reportedly trying to force all countries to accept biotechnology and genetically modified foods in which unregulated U.S.-based corporations have taken a lead (i.e., Archer Daniels Midland, Cargill and Monsanto), regardless of the implications for farmers and consumers in other countries; and

WHEREAS, the strict intellectual property laws within the FTAA represent extreme corporate protectionism and will have devastating impacts on the people living in the global south because it will give a company with a patent in one country the monopoly marketing rights to the item throughout the region and allow pharmaceutical companies to keep drug prices high and block production of generic versions of life-saving drugs; and

WHEREAS, the 34 governments participating in the FTAA negotiations have committed to strengthening democracy throughout the hemisphere but have conducted the FTAA negotiations in secret, which prevents a healthy public debate; and

WHEREAS, local resolutions like this one have been instrumental in defeating other destructive trade agreements such as the Multilateral Agreement on Investment.

NOW, THEREFORE, BE IT RESOLVED by the Burlington City Council that it hereby:

1. Opposes the FTAA;
2. Petitions the Federal government to refuse to sign any new trade and investment agreements, such as the proposed FTAA, that include investor-state provisions similar to the ones included in NAFTA;
3. Urges the U.S. Trade Representative to withdraw from any further negotiation on the FTAA;
4. Requests the U.S. Trade Representative to release proposals for the agreement and written submissions to the nine negotiating groups of the FTAA;
5. Requests the release of a comprehensive list of the representatives to the FTAA negotiating groups from all 34 countries involved; and
6. Urges the State Legislature to adopt stronger sovereignty safeguards in implementing legislation for the FTAA and other trade agreements, now and in the future; and BE IT FURTHER RESOLVED that the Mayor is authorized to communicate the City's position to the President, Vermont's Congressional delegation, the Governor, the U.S. Trade Representative, State Legislature and Congressional committees with trade jurisdiction.