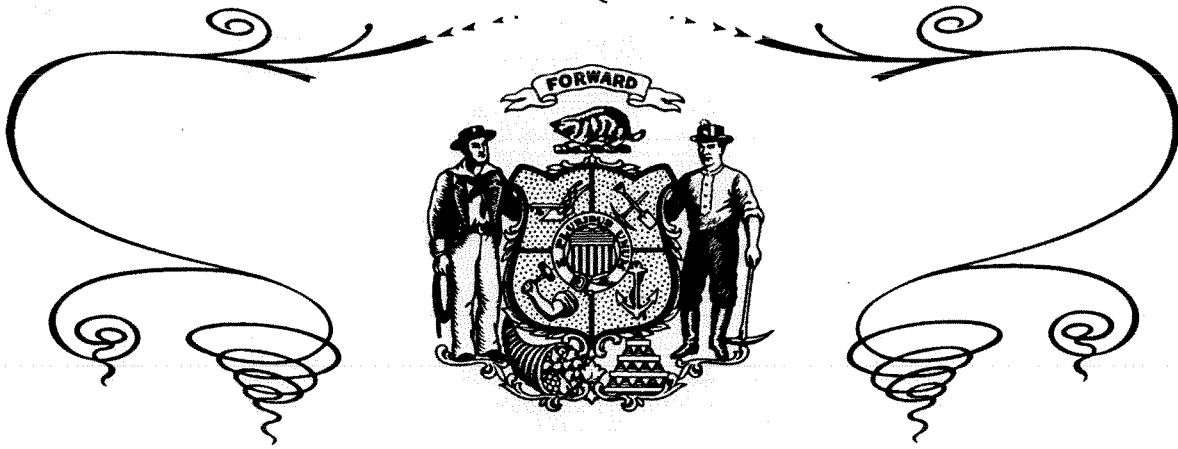


# State of Wisconsin



2007 Senate Resolution 8

---

## ENGROSSED RESOLUTION

---

**Relating to:** memorializing Congress to create a system that ensures that trade agreements are developed and implemented using a democratic, inclusive mechanism that enshrines the principles of federalism and state sovereignty.

Whereas, democratic, accountable governance in the states, generally, and the authority granted by the Wisconsin constitution to the legislative branch, specifically, are being undermined by international commercial and trade rules enforced by the World Trade Organization (WTO) and established by the North American Free Trade Agreement (NAFTA) and are further threatened by similar provisions in an array of pending trade agreements; and

Whereas, today's "trade" agreements have impacts that extend significantly beyond the bounds of traditional trade matters, such as tariffs and quotas, and instead grant foreign investors and service providers certain rights and privileges regarding acquisition of land and facilities and regarding operations within a state's territory, subject state laws to challenge as "nontariff barriers to trade" in the binding dispute resolution bodies that accompany the pacts, and place limits on the future policy options of state legislatures; and

Whereas, NAFTA and other U.S. free trade agreements grant foreign firms new rights and privileges for operating within a state that exceed those rights and privileges granted to U.S. businesses under state and federal law; and

Whereas, NAFTA already has generated "regulatory takings" cases against state and local land-use decisions, state environmental and public health policies, adverse state court rulings, and state and local contracts that would not have been possible in U.S. courts; and

Whereas, when states are bound to comply with government procurement provisions contained in trade agreements, common economic development and environmental policies, such

as buy-local laws, prevailing wage laws, and policies to prevent offshoring of state jobs, as well as recycled content laws, could be subject to challenge as violating the obligations in the trade agreements; and

Whereas, recent trade agreements curtail state regulatory authority by placing constraints on future policy options; and

Whereas, the WTO general agreement on trade in services (GATS) could undermine state efforts to expand health care coverage and rein in health care costs and places constraints on state and local land-use planning and gambling policy; and

Whereas, new GATS negotiations could impose additional constraints on state regulation of energy, higher education, professional licensing, and other areas; and

Whereas, despite the indisputable fact that international trade agreements have a far-reaching impact on state and local laws, federal government trade negotiators have failed to respect states' rights to prior informed consent before binding states to conform state law and authority to trade agreement requirements and have refused even to inform state legislatures of key correspondence; and

Whereas, the current encroachment on state regulatory authority by international commercial and trade agreements has occurred in no small part because U.S. trade policy is being formulated and implemented under the Fast Track Trade Authority procedure; and

Whereas, Fast Track eliminates vital checks and balances established in the U.S. Constitution by broadly delegating to the executive branch Congress's exclusive constitutional authority to set the terms of trade, such that the executive branch is empowered to negotiate broad-ranging trade agreements and to sign them prior to Congress voting on the agreements; and

Whereas, the ability of the executive branch to sign trade agreements prior to Congress's vote of approval means that executive branch negotiators can ignore congressional negotiating objectives or states' demands, and neither Congress nor the states have any means to enforce any decision regarding what provisions must be contained in every U.S. trade agreement or what provisions may not be included in any U.S. trade agreement; and

Whereas, federal trade negotiators have ignored and disrespected states' demands regarding whether states agree to be bound to certain nontariff trade agreement provisions; and

Whereas, Fast Track also circumvents normal congressional review and amendment committee procedures, limits debate to 20 hours, and forbids any floor amendments to the implementing legislation that is presented to Congress to conform hundreds of U.S. laws to trade agreement obligations and to incorporate the actual trade agreement itself into U.S. federal law that preempts state law; and

Whereas, Fast Track is not necessary for negotiating trade agreements as demonstrated by the existence of scores of trade agreements, including major pacts, implemented in the past 30 years without use of Fast Track; and

Whereas, Fast Track, which was established in 1974 by President Richard Nixon when trade agreements were limited to traditional matters, such as tariffs and quotas, is now woefully outdated and inappropriate given the diverse range of nontrade issues now included in "trade" agreements that broadly affect state and federal nontrade regulatory authority; and

Whereas, the current grant of Fast Track expires in June 2007; now, therefore, be it

***Resolved by the senate, That:***

(1) The U.S. Congress be urged to create a replacement for the outdated Fast Track system so that U.S. trade agreements are developed and implemented using a more democratic, inclusive mechanism that enshrines the principles of federalism and state sovereignty.

(2) This new process for developing and implementing trade agreements include an explicit mechanism for ensuring the prior informed consent of state legislatures before states are bound to the nontariff terms of any trade agreement that affects state regulatory authority to ensure that the United States trade representative respects the decisions made by states.

(3) Copies of this resolution be sent to President George W. Bush, Ambassador Susan Schwab, U.S. Trade Representative, the President of the U.S. Senate, the Speaker of the House of Representatives, and the Wisconsin Congressional Delegation.

State Capitol  
Madison, Wisconsin

---

Senator Fred A. Risser  
President of the Senate

---

Date

---

Robert J. Marchant  
Senate Chief Clerk

**SENATE RESOLUTION 8 (LRB -2157)**

Relating to: memorializing Congress to create a system that ensures that trade agreements are developed and implemented using a democratic, inclusive mechanism that enshrines the principles of federalism and state sovereignty.

**2007**

- 06-11. S. Introduced by Senators **Hansen, Coggs, Vinehout, Sullivan and Wirch.**
- 06-11. S. Read and referred to committee on Senate Organization ..... 249
- 06-11. S. Available for scheduling.
- 06-25. S. Placed on calendar 6-26-2007 by committee on Senate Organization.
- 06-26. S. **Adopted**, Ayes 20, Noes 11.

CD

2007  
ENGROSS SIMPLE RES

Resolution On "Certificate" Form

07 ~~Sen~~ 5 Res 8

ADOPTED DOCUMENTS:

Orig      \_\_\_ SubAmdt \_\_\_

07  
~~X~~ \_\_\_ / \_\_\_

Amendments to above (if none, write "NONE"): None

Corrections - show date (if none, write "NONE"): None

Topic Rel

6-26-07  
Date

J. R. Mull  
Drafter

ELECTRONIC PROCEDURE:

Follow automatic or manual enrolling procedures in *TEXT2000 Reference Guide*, Document Specific Procedures, Ch. 20, Engrossing and Enrolling

***Make 24 copies of ENGROSSED RESOLUTION and distribute copies.***

DISTRIBUTION:

LRB:

- Drafting file ..... 1 copy
- Legislative editors ..... 1 copy each
- LPS file ..... 1 copy
- Index librarian ..... 1 copy

REVISOR OF STATUTES:

- 1 copy

HOUSE OF ORGIN:

- Secretary of State's envelope containing 4 copies plus newspaper notice
- Original and all remaining copies plus bill jacket

## 2007 SENATE RESOLUTION 8

June 11, 2007 – Introduced by Senators HANSEN, COGGS, VINEHOUT, SULLIVAN and WIRCH. Referred to Committee on Senate Organization.

1     **Relating to:** memorializing Congress to create a system that ensures that trade  
2           agreements are developed and implemented using a democratic, inclusive  
3           mechanism that enshrines the principles of federalism and state sovereignty.

4           Whereas, democratic, accountable governance in the states, generally, and the  
5           authority granted by the Wisconsin constitution to the legislative branch,  
6           specifically, are being undermined by international commercial and trade rules  
7           enforced by the World Trade Organization (WTO) and established by the North  
8           American Free Trade Agreement (NAFTA) and are further threatened by similar  
9           provisions in an array of pending trade agreements; and

10          Whereas, today's "trade" agreements have impacts that extend significantly  
11          beyond the bounds of traditional trade matters, such as tariffs and quotas, and  
12          instead grant foreign investors and service providers certain rights and privileges  
13          regarding acquisition of land and facilities and regarding operations within a state's  
14          territory, subject state laws to challenge as "nontariff barriers to trade" in the binding

1 dispute resolution bodies that accompany the pacts, and place limits on the future  
2 policy options of state legislatures; and

3 Whereas, NAFTA and other U.S. free trade agreements grant foreign firms new  
4 rights and privileges for operating within a state that exceed those rights and  
5 privileges granted to U.S. businesses under state and federal law; and

6 Whereas, NAFTA already has generated “regulatory takings” cases against  
7 state and local land-use decisions, state environmental and public health policies,  
8 adverse state court rulings, and state and local contracts that would not have been  
9 possible in U.S. courts; and

10 Whereas, when states are bound to comply with government procurement  
11 provisions contained in trade agreements, common economic development and  
12 environmental policies, such as buy-local laws, prevailing wage laws, and policies  
13 to prevent offshoring of state jobs, as well as recycled content laws, could be subject  
14 to challenge as violating the obligations in the trade agreements; and

15 Whereas, recent trade agreements curtail state regulatory authority by placing  
16 constraints on future policy options; and

17 Whereas, the WTO general agreement on trade in services (GATS) could  
18 undermine state efforts to expand health care coverage and rein in health care costs  
19 and places constraints on state and local land-use planning and gambling policy;  
20 and

21 Whereas, new GATS negotiations could impose additional constraints on state  
22 regulation of energy, higher education, professional licensing, and other areas; and

23 Whereas, despite the indisputable fact that international trade agreements  
24 have a far-reaching impact on state and local laws, federal government trade  
25 negotiators have failed to respect states’ rights to prior informed consent before

1 binding states to conform state law and authority to trade agreement requirements  
2 and have refused even to inform state legislatures of key correspondence; and

3       Whereas, the current encroachment on state regulatory authority by  
4 international commercial and trade agreements has occurred in no small part  
5 because U.S. trade policy is being formulated and implemented under the Fast Track  
6 Trade Authority procedure; and

7       Whereas, Fast Track eliminates vital checks and balances established in the  
8 U.S. Constitution by broadly delegating to the executive branch Congress's exclusive  
9 constitutional authority to set the terms of trade, such that the executive branch is  
10 empowered to negotiate broad-ranging trade agreements and to sign them prior to  
11 Congress voting on the agreements; and

12       Whereas, the ability of the executive branch to sign trade agreements prior to  
13 Congress's vote of approval means that executive branch negotiators can ignore  
14 congressional negotiating objectives or states' demands, and neither Congress nor  
15 the states have any means to enforce any decision regarding what provisions must  
16 be contained in every U.S. trade agreement or what provisions may not be included  
17 in any U.S. trade agreement; and

18       Whereas, federal trade negotiators have ignored and disrespected states'  
19 demands regarding whether states agree to be bound to certain nontariff trade  
20 agreement provisions; and

21       Whereas, Fast Track also circumvents normal congressional review and  
22 amendment committee procedures, limits debate to 20 hours, and forbids any floor  
23 amendments to the implementing legislation that is presented to Congress to  
24 conform hundreds of U.S. laws to trade agreement obligations and to incorporate the  
25 actual trade agreement itself into U.S. federal law that preempts state law; and



