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**A RESOLUTION CONCERNING
THE EXTENSION OF THE NORTH AMERICAN FREE TRADE AGREEMENT
TO THE FREE TRADE AREA OF THE AMERICAS**

40 **WHEREAS:** The North American Free Trade Agreement (NAFTA) Chapter has provisions
50 which allow investors to seek monetary compensation from a signatory
60 government through international arbitration if that government expropriates the
70 investor's investment; and,

80 **WHEREAS:** There is no clear definition of "expropriation" in NAFTA Chapter 11; and,

90 **WHEREAS:** The nature of international arbitration is such that municipalities or the public
100 are not directly involved in the process, and arbitration proceedings can be
110 secretive, without documents being publicly available through regular channels;
120 and,

130 **WHEREAS:** There is uncertainty regarding the outcome of any NAFTA arbitration because
140 the arbitration decisions by definition are not binding on other arbitration
150 proceedings; and,

160 **WHEREAS:** Large monetary awards may lead a signatory government to attempt to influence
170 laws on a local level; and,

180 **WHEREAS:** Due to the lack of transparency of the arbitration process under NAFTA and the
190 lack of a clear definition of "expropriation," there is a concern that claims
200 pursuant to NAFTA Chapter 11 may lead to unintended results which affect the
210 legitimate police power of local governments; and,

220 **WHEREAS:** It is anticipated that the negotiations in progress to finalize the Free Trade Area
230 of the Americas (FTAA) will include provisions similar to NAFTA Chapter 11;
240 and,

250 **WHEREAS:** The State of Maryland should not be subjected to the unintended results of an
260 FTAA which includes the Chapter 11 language of NAFTA.

270 **THEREFORE BE IT RESOLVED:** That the Maryland Student Legislature does hereby
280 oppose the extension of NAFTA to the FTAA; and,

290 **BE IT FURTHER RESOLVED:** That the Maryland Student Legislature urges the
300 Trade Representative to release proposals for the agreement and written
310 submissions to the nine negotiating groups of the FTAA so that local
320 governments may assess the impact of the agreement on their sovereignty; and,

330 **BE IT FURTHER RESOLVED:** That the Maryland Student Legislature urges the
340 Maryland General Assembly to investigate NAFTA and the proposed FTAA,
350 and adopt implementing legislation for the agreements that prevent the
360 interference or dilution of the sovereignty of local governments.

370 **MANDATES:** Ambassador Robert B. Zoellick
380 Governor Robert Ehrlich
390 Senate President Thomas V. "Mike" Miller
400 Speaker Michael Busch

Sponsor:

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