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## **National Advocacy Group Lauds Hawaii Legislators' Leadership in Working to Safeguard State and Local Authority in International "Trade" Negotiations**

### ***As State and Local Concerns Build Over Trade Pacts' Encroachment on State Sovereignty, Hawaii Takes Step Toward Ensuring Openness and Accountability***

HONOLULU – Today's hearing of House Bills HB1914 and HB2199 is an important step toward protecting democracy and safeguarding Hawaii's sovereignty in response to international trade agreements that are serving as a backdoor form of international pre-emption. The hearing also provides the latest evidence of a trend among state officials' demanding accountability nationwide, Public Citizen said today.

In 2003 and again in 2005, the U.S. government requested Hawaii's approval of trade agreement rules regarding government procurement – the expenditure of taxpayer dollars on goods and services. When states commit to be bound by the rules, common state purchasing laws (such as preferences for local producers, "green" purchasing preferences for recycled content requirements and more) are made vulnerable to challenge by closed-door "trade" tribunals. If a tribunal rules against a state law, the law must be changed or trade sanctions will be imposed.

"How Hawaii chooses to spend taxpayer dollars should be decided by the Hawaii General Assembly and approved by the governor," said Lori Wallach, director of Public Citizen's Global Trade Watch. "State officials should not be handcuffed by international trade agreements when it comes to such an essential functions of a sovereign government."

In 2003, Gov. Linda Lingle sent a letter to the Office of U.S. Trade Representative in Washington, D.C., volunteering Hawaii to be bound by the government procurement rules in the Central America Free Trade Agreement (CAFTA) and other new pacts. CAFTA, an expansion of the NAFTA model, is an agreement between the United States and Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua.

When CAFTA goes into effect, the CAFTA countries will be empowered to challenge as "barriers to trade" Hawaii state laws that violate the terms of the agreement in foreign trade tribunals. CAFTA was slated to go into effect on Jan. 1, 2006, but has been delayed due to disagreements over changes in domestic laws within those Central American governments party to the agreement. While 28 U.S. governors originally signed their states on to CAFTA's procurement rules, nine of those governors later withdrew these commitments. Currently, only eight governors have committed to the latest pending agreement with Peru.

Analysis of the Hawaii State Constitution suggests that a decision to bind the state to trade agreement terms is a legislative function, and that Lingle acted outside of her authority in binding the state without the consent of the General Assembly.

The bills heard in the International Affairs and Economic Development and Business Concerns committees today require that the full legislative process be engaged when Hawaii receives requests from the federal government for the state's consent to be bound to particular trade agreement terms. Either bill would serve to clarify the role of the legislature and executive branch in such decisions. A similar bill was passed over the governor's veto last year by the Maryland General Assembly.

“Just as Congress makes the final call about whether or not to approve trade agreements negotiated by the executive branch, the Hawaii General Assembly should be able to decide whether or not committing to state-specific trade agreement terms is in the interest of the Hawaiian people,” said Susan Ellsworth, state and local program associate for Public Citizen’s Global Trade Watch.

To read the bills, please visit:

[http://www.capitol.hawaii.gov/sessioncurrent/bills/hb1914\\_.pdf](http://www.capitol.hawaii.gov/sessioncurrent/bills/hb1914_.pdf) .

[http://www.capitol.hawaii.gov/sessioncurrent/bills/hb2199\\_.pdf](http://www.capitol.hawaii.gov/sessioncurrent/bills/hb2199_.pdf) .

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