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REPORT OF THE CITIZEN'S ADVISORY PANEL ONE TO THE WTO ACCOUNTABILITY REVIEW COMMITTEE OF THE SEATTLE CITY COUNCIL

I. Introduction

Panel Charter

The Seattle City Council established the World Trade Organization Accountability Review Committee (WTO ARC) to create a documented account of the events of the 1999 World Trade Organization (WTO) Ministerial, evaluate the "lessons learned" and recommend possible legislation or policy changes to the City Council. Three citizen panels, corresponding to the three main areas of inquiry, were established to direct the review and interpret documentary and testimonial evidence collected by the WTO ARC staff.

The formal charge to Panel One, WTO Invitation Panel, from the Committee was to examine Seattle's decision to host the WTO Ministerial. The Panel was asked to review informal and formal contacts by officials of the City and other agencies to determine what lobbying, negotiations and briefings took place and what agreements were reached. The Panel was also asked to explore the following issues:

1. The date when the possibility of hosting the WTO Ministerial meeting was first known to City officials, the identity of persons involved in those contacts, and the nature of their contacts.
2. The identities of all City, county, state and federal employees, and others who participated in the decision to seek to have the City of Seattle serve as host city for the WTO Ministerial meeting.
3. The participants, dates, places and duration of all meetings involved in seeking to become host city.
4. The roles played by city, county, state and federal officials, and private individuals and organizations, and any contacts with non-U.S. nationals that preceded the decision for Seattle to host the WTO.
5. The criteria, judgments, and bases used in making the decision to host the WTO.
6. Details of any budgets, estimates, spreadsheets, or predictions about the costs or fiscal impacts of hosting the WTO meeting, and how those costs would be borne.
7. The questions or deliberations about fiscal or legal responsibility for the WTO Ministerial meeting, the results of those deliberations, and the nature of any assurances made by any city, state, or federal officials about financial responsibility or the possibility of reimbursement.
8. The texts of all correspondence, agreements and communication between city officials or employees and the Seattle Host Organization (SHO), the WTO, and any county, state or federal agency, including Congress, the Department of State and the White House.

In the course of conducting interviews and reviewing documents provided by staff, the Panel identified several key issues around which to focus their recommendations:

- ⇒ The timing and nature of the City of Seattle's commitment to expend City resources in hosting this conference;
- ⇒ Budget assumptions made at the time the commitment was made;
- ⇒ The process through which the City of Seattle made the commitment;
- ⇒ The identities of individuals and organizations making financial commitments to host the WTO.

Brief Chronology of Events

The events that led to the City of Seattle becoming the host for the World Trade Organization's Third Ministerial are outlined below:

- In May of 1998, President Clinton attended the meeting of the World Trade Organization in Geneva and invited that organization to hold its 1999 ministerial meeting in the United States. The responsibility for selecting a location and working out the logistics at the U.S. end fell to the U.S. Department of State's Office of International Conferences, which is normally tasked with helping U.S. diplomats and others make arrangements for attendance at overseas conferences.
- Mr. Frank R. Probyn, the Managing Director of the U.S. Department of State's Office of International Conferences, began the selection process by sending letters dated June 18, 1998, to all cities (or the visitors bureaus of cities) exhibiting at the Destination Showcase in Chicago. Seattle, via the Seattle-King County Convention and Visitors Bureau, and dozens of other cities expressed interest. Some cities withdrew themselves from consideration early in the process, either because they did not have adequate convention facilities or because their convention centers or hotels were already booked.

By late August, 1998, Seattle was one of 21 finalists for the meeting. Seattle Port Commissioner Pat Davis, president of the Washington Council on International Trade (WCIT), set up a host committee that included Seattle Mayor Paul Schell, King County Executive Ron Sims, Governor Gary Locke, members of Washington State's congressional delegation, Phil Condit of Boeing and Bill Gates of Microsoft. Those individuals all sent letters to President Clinton supporting the idea of holding the WTO Ministerial in Seattle.

In mid-September the State Department sent two individuals out for a preliminary review of facilities in possible host cities. This team visited Seattle from September 30 to October 2, 1998. Following that visit, Seattle was selected as one of six finalists for the meeting.

- Because the WTO is a very young organization, there is no established routine for ministerial meetings, which contributed to uncertainty on the part of both the WTO and the State Department regarding what the requirements for the meeting actually were. There were several significant changes in the requirements for the conference that made it difficult for the SKCCVB to come back with a specific proposal.

On October 22, 1998, the State Department requested a financial proposal from the Seattle organizers. The request stated that "all actual expenses generated by the WTO in holding the event in your city rather than at their headquarters in Geneva are the responsibility of the U.S. government (WTO staff transportation and subsistence, shipment of documents to and from Geneva, meeting space, delegation office space, providing one vehicle/driver for each delegation and the like)." The letter also noted that "We realize that certain incentives may be offered due to space utilization (frequently in conference facilities and due to bedroom usage) as part of your proposal".

The WCIT and the SKCCVB determined that those incentives would include all of the use of the Washington State Convention Center and associated build-out, along with transportation and numerous other items.

- Once the short list of cities had been established, the State Department set up site visits by the State Department, the WTO and the U.S. Trade Representative. That meeting was scheduled for November 12 to 14, 1998, and Governor Gary Locke and Mayor Paul Schell participated, as did other dignitaries. The group was given a proposal that outlined all of the items that would be paid for locally (as noted above). Security costs at that time were estimated at \$500,000.

At those meetings, representatives from the Convention and Visitors Bureau were dismayed to learn that the space requirements were substantially different than they had assumed and would have to be completely reworked. Local organizers (along with two representatives of the Seattle Police Department) were told about the civil disturbances at the May 1998 WTO meeting in Geneva, and were reportedly warned about possible demonstrations in opposition to the Seattle meetings.

- Following the November 1998 site visit, the Seattle organizers were asked to prepare another proposal, based on the new information provided. On December 16, 1998, Pat Davis and Kathy Paxton (SKCCVB) sent a letter on WCIT letterhead to Mr. John Dieffenderfer, a Conference Manager for the Office of International Conferences, with a revised budget of \$9.2 million for items that would be covered locally. Approximately half of that was for “core needs” – space, transportation and security – and the other half was for events, airport greeters, etc. The security cost was estimated at \$1.5 million, based, according to a draft of the letter, on the actual cost incurred for the APEC meetings in December 1994. In the letter, they also assure Dieffenderfer that “The Seattle Host Committee will cover whatever the actual costs on each item are.”
- According to some of the participants, by the end of December the only serious contenders to host the conference were Seattle and Honolulu. We do not have the Honolulu proposal, but have been told that the total budget was \$5.5 million, compared to Seattle’s \$9.2 million. Included in that budget was a substantial amount of airfare for WTO staffers, in order to offset the perceived disadvantage of travelling further from Geneva.
- The selection committee apparently weighed those two proposals and, on January 25, 1999, announced that Seattle had been selected as the host city. According to competitors in Honolulu, the selection committee actually voted unanimously for that city, but was overruled by the U.S. Trade Representative. This claim has not been verified.
- Once Seattle had been selected, Cliff Traisman (Office of Intergovernmental Relations) was the city official most involved in coordinating the City’s role in the event. By mid-February 1999 his office was estimating City security costs in excess of \$3 million. At that point, OIR began working on options for federal reimbursement. Officials had been told that the State Department would oppose reimbursement, but hoped that by working through the state’s congressional delegation any State Department objections could be overruled.
- On March 29, 1999, Cliff Traisman, Deputy Mayor Maud Daudon, Seattle Police Department Assistant Chief Ed Joiner and Keith Orton (Office of Intergovernmental Relations) briefed the Seattle City Council on the status of WTO. The members of the Council who were present at the meeting - Councilmember Richard Conlin, Councilmember Martha Choe, Councilmember Tina Podlodowski, and Councilmember Richard McIver - requested that the City draw up a Memorandum of Understanding with the SHO to formally confirm that the SHO would pay the promised \$1.5 million. This memo was to be returned to the Council to be adopted via Council resolution; however, it was never drafted, and neither the Mayor’s Office nor the Council pursued the matter. A similar Memorandum of Understanding requested by the US Trade Representative’s office suffered the same fate when the USTR apparently lost interest.

II. Chronology

World Trade Organization – Seattle Ministerial Timeline of Events Leading to the Conference: Initial Discussion to Announcement of Seattle’s Selection as Host City

APEC - Asia Pacific Economic Cooperative
OIR – Seattle Office of Intergovernmental Relations
SKCCVB - Seattle/King County Convention and Visitors Bureau
SHO – Seattle Host Organization
SPD - Seattle Police Department
USTR – United States Trade Representative
WCIT – Washington Council on International Trade
WTO – World Trade Organization

May 1998 -- A Seattle/King County Convention and Visitors Bureau (SKCCVB) delegation visits Geneva for a trade and tourism conference and attends a reception at the home of Rita Hayes, U.S. Ambassador to the World Trade Organization.¹ She suggests that Seattle might consider being the host to the 1999 WTO Ministerial. Don Lorentz, of the Port of Seattle, passes this information to the Washington Council on International Trade (WCIT)². WCIT sends a letter to the U.S. Trade Representative expressing interest.³

May 16-25 (approximately) The WTO holds a ministerial meeting and 50th anniversary celebration in Geneva. The meeting is confronted by thousands of protesters (4000 by some estimates), some of whose actions include overturning and burning cars, breaking windows, and vandalizing fast-food restaurants and banks. Police preparations include 2500 riot shields, 2000 meters of barbed wire, several army helicopters, and a 15-meter fence to protect delegations.⁴

At the meeting, Clinton states that panels investigating trade disputes should open their meetings to the public and accept input from interest groups⁵.

Articles appear in *The Economist* and the *Wall Street Journal* referencing the protests and associated violence.⁶ (A second article referencing the protests appears in *The Economist* in the October 3, 1998 issue.)

At the meeting, President Clinton reportedly invites the WTO to hold its next meeting in the United States.⁷

Late May or Early June, 1998 - Sam Kaplan of the Trade Development Alliance calls Kathy Paxton and asks her to reserve some Convention Center space for November 1999. The exact dates of the conference are unknown at this time.⁸

June 15 - Don Lorentz sends a letter to Rita Hayes asking her to consider supporting Seattle’s bid to host the WTO.⁹

June 18 - Kathy Paxton, Convention Sales Manager at the SKCCVB, faxes local hotels, advising them that the likely dates for the ministerial are November 3-5, 1999. She asks them to “hold all available rooms and suites on a tentative basis” because “we do not have specific information on the number of attendees”.¹⁰

Frank R. Probyn, Managing Director at the State Department's Office of International Conferences, sends letters to all cities with exhibits at the Chicago Destinations Showcase. The letters lay out basic facts about the conference and the State Department's requirements, and invites cities to "send us information describing [your] facilities and other relevant information you think will assist us in scheduling site surveys." The letter also states that "it would be helpful to receive your submission by July 18, 1998."¹¹ This document is not faxed to the Seattle/King County Convention and Visitors Bureau until Aug. 14, 1998.

June 21-26 – Cliff Traisman and Keith Orton advise the Mayor that "it appears that the US will host a new round of World Trade Organization (WTO) negotiations in November/December 1999. Boeing, the Chamber, the Port and others in the community would like to put Seattle forward as the site for the meetings...Pat Davis [president of the WCIT] sent a letter this week urging President Clinton to consider Seattle and we are trying to get Boeing to lobby the President while in China. Your support will be needed as we move forward with this."¹²

June 24 -- The WCIT writes President Clinton, urging him to consider Seattle as a host city for the 1999 WTO Ministerial.¹³

July 9 - Scott Jackson, WCIT, visits Washington D.C. and meets with White House officials to discuss Seattle's bid prospects.¹⁴

July 31 - Kathy Paxton faxes local hotels, informing them that "there is still no substantive news from Washington D.C. about Seattle hosting this event in 1999".¹⁵

Aug-Sept 1998 – A November 1999 *Seattle Times* article reports that organizers worked madly in these months to prepare a bid, which they submitted in September. Thirty-nine other cities also submitted their bids at this time. The article also states that sponsors came for a visit before list of possible host cities was winnowed from 12 to 6.¹⁶

August 1-7 – Cliff Traisman and Keith Orton inform Mayor Schell that "Jim McDermott has offered to lead an aggressive bid to hold the World Trade Organization's next round of negotiations in Seattle...Jim believes he can get all of the members of the Washington delegation to sign a joint letter and has recommended a joint letter from the Governor, King County Executive and Mayor. We are working on a draft. The meetings would be a larger event than the 1993 APEC ministerial and would represent a unique opportunity for the region."¹⁷

August 5 - The SKCCVB receives a fax from John Dieffenderfer informing them that he has "been designated as Conference Manager for the World Trade Organization Ministerial and will be your primary contact for information and questions during the site selection process." He also updates them on the dates: "the U.S. Trade Representative has now set the actual dates for the Ministerial as November 30 through December 3, 1999."¹⁸

August 13 - Governor Gary Locke sends a letter to President Clinton urging him to consider Seattle as a host site for the WTO.¹⁹

August 14 - The *Puget Sound Business Journal* runs an article entitled "Seattle lobbies for WTO powwow" that describes Seattle's bid efforts and lists some of the cities who are in competition.²⁰

August 16 - In an email, Kathy Paxton informs Michael McQuade and Susan Newcomb that "the World Trade Organization is becoming a very big deal, and we have been instructed to rise to the occasion."²¹

August 18 - Kathy Paxton sends a letter to John Dieffenderfer describing the layout of the Convention Center and Seattle's various amenities and attractions.²²

In a fax to local hotels, Kathy Paxton states that "this is finally moving along - and very quickly...Seattle is one of 8 or 9 finalist cities."²³

Members of the Washington State congressional delegation send a letter to President Clinton urging him to consider Seattle as a host site for the WTO.²⁴

August 20 - In an email to Mike Mullen at the National Center for APEC, Kathy Paxton informs him that a 2-person site selection team will visit Seattle sometime in September.²⁵

August 21 - In an email to Pat Davis, Kathy Paxton updates her on the details of the site selection visit and informs her that "[some of the] other cities currently offering space are Las Vegas, Honolulu, Fort Lauderdale, Detroit, St. Lois, Santa Clara, San Diego, and Long Beach."²⁶

August 24 - Mayor Paul Schell sends a letter to President Clinton urging him to consider Seattle as a host site for the WTO.²⁷

August 26 - King County Executive Ron Sims sends a letter to President Clinton urging him to consider Seattle as a host site for the WTO.²⁸

August 28 - An agenda for the first site selection team visit gives the membership of the Seattle Host Committee as Phil Condit, Bill Gates, Governor Locke, Mayor Schell, and King County Executive Sims.²⁹

First meeting of the Seattle Organizing Committee.³⁰

August 31 - After meeting with WTO representatives in Geneva, John Dieffenderfer provides Kathy Paxton with detailed specifications and space requirements for the WTO meetings.³¹

Phil Condit and Bill Gates jointly send a letter to President Clinton urging him to consider Seattle as a host site for the WTO.³²

September 1 - According to an email from John Dieffenderfer to Kathy Paxton, the following cities are in competition for the WTO: Akron, Anaheim, Baton Rouge, Buffalo, Charleston, Cincinnati, Dallas, Detroit, Denver, Fort Lauderdale, Honolulu, Houston, Indianapolis, Las Vegas, Long Beach, Miami, St. Louis, San Diego, Santa Clara, Seattle, Toledo, and Washington D.C..³³

September 17 - John Dieffenderfer faxes Kathy Paxton a list of questions regarding air transportation, delegate housing assistance and technical equipment.³⁴

September 22 - John Dieffenderfer faxes Kathy Paxton a request that she provide him with a more detailed floor plan of the Convention Center.³⁵

September 30 - October 2 - First WTO site selection team visits. Team members meet with, among others, Pat Davis, Ron Sims, Sue Donaldson, Maud Daudon, Keith Orton, and representatives from the SPD.³⁶

October 1 - *Seattle Post-Intelligencer* runs article entitled “City sized up for high-power meeting”. The article describes the Seattle bid effort and cites Bill Gates and Phil Condit as co-chairmen of the organizing committee.³⁷

October 6 - Ken Plummer, a member of the site selection team who visited Seattle on the September 30 inspection, emails Kathy Paxton and informs her that he “gave Seattle very, very high marks”.³⁸

October 22 - Seattle is selected as one of the six finalist cities and asked to prepare a formal proposal. The fax stating this also says that “costs involved with the city hosting the event...are the sole responsibility of the city and you should not look to the U.S. government for any assistance or relief.”³⁹

November 10 - Draft memorandum from Office of Intergovernmental Relations (Cliff Traisman and Keith Orton) to Mayor Schell outlines speaking points for Mayor Schell’s Nov. 12th meeting with the WTO site selection team (which includes WTO, USTR, and State Department representatives). The memo states, as a strategic issue, “Some State Department officials are still angry about the fact that after the APEC meetings, the Seattle congressional delegation attached a rider to the State Department’s budget reimbursing Seattle for about \$1.7 million in security costs.” Traisman and Orton suggest countering that APEC featured 13 heads of state who required motorcades, whereas WTO attendees are only ministerial with minimal transportation needs.⁴⁰

November 12-14 – The WTO Site Selection Team, composed of WTO officials and US State Department trade and other officials, meets with Paul Schell, Cliff Traisman and others at the Convention Center. On Nov. 13, the team meets with Seattle Police Officers Harv Ferguson, Bill Moffat and Ron Mochizuki to discuss security issues. The five-member team is also scheduled to meet with Sue Donaldson and Martha Choe in the evening. At this time, Seattle is one of six finalists in the U.S., but Cliff Traisman feels that the real competition is San Diego.⁴¹ At this point, the security budget is \$500,000.⁴²

November 20 - In a letter to Steve Morris, SKCCVB, Pat Davis states that “the Governor, the Mayor, and our former WTO Ambassador, Booth Gardner” participated in the Nov. 12 site selection team visit and that “the decision now lies with the White House”.⁴³

December 16 – Final proposal to host WTO Ministerial goes out from the Washington Council on International Trade, signed by Pat Davis and Kathy Paxton. The letter is addressed to John Dieffenderfer. The proposal consists of four pages of budget documents, outlining a total budget of \$9,237,000, of which security costs are estimated at \$1,500,000; the number for security is “based on APEC experience”. The letter states that “the Seattle Host Committee will cover whatever the final costs are.”⁴⁴

January 25, 1999 – The White House selects Seattle as host of the WTO Ministerial (Honolulu and San Diego were the competition).

January 26 - The *Honolulu Advertiser* runs an article entitled “Honolulu loses World Trade bid” that describes the city’s loss to of the WTO to Seattle. The article states that “Honolulu had been the first choice among U.S. officials on the site selection team...[it was] given high scores in all categories...Honolulu received the highest overall rating, followed in order by San Diego, Seattle, Denver, Dallas and Detroit” and that Seattle was chosen because its “strong trade ties made it the best place”.⁴⁵

February 10 – WTO Steering Committee formally asks Boeing for a full-time loaned executive.⁴⁶

Memo from Cliff Traisman to Mayor Schell and City Council President Sue Donaldson states, “the WTO meetings will affect a number of City Departments (and might have significant budget impacts for some),” and offers examples including the fact that SPD had already created a WTO team. The memo also states that if heads of state in addition to Clinton and Gore decide to participate, “the security requirements will quickly escalate.”⁴⁷

February 12 – Public Safety Executive Committee formed under the lead of Ed Joiner from SPD. Also represented are: King County Sheriff’s Office, Washington State Patrol, FBI, U.S. Secret Service, and the Seattle Fire Department.

February 15-19 – A third site visit by WTO and U.S. government officials includes various meetings with local officials at the city and the Port of Seattle.⁴⁸

The previously agreed upon floor plans for the Convention Center are drastically altered at the request of WTO representatives on the site selection team, who insist that they need more room.⁴⁹

February 18 – The WCIT and the Mayor hold press a conference to announce the official designation of Seattle as host city for the WTO Ministerial, and the creation of the Seattle Host Organization.

III. FINDINGS

“The 1999 WTO Ministerial Conference in Seattle...will shine a spotlight on the City of Seattle, King County, and Washington State, and significantly affect the reputation of this region for years to come.” August 16, 1999 letter to WTO volunteers⁵⁰

1. Who invited the WTO?

The WTO was invited by the Washington Council on International Trade (“WCIT”) by letter bid dated December 16, 1998, signed on behalf of the WCIT by its President, Pat Davis (“Ms. Davis”). A copy of the WCIT letter bid is attached hereto as Addendum A.

The WCIT itself states that it “is the only legal and financial entity involved in hosting the [WTO] Ministerial.”⁵¹

2. Who is the WCIT and what was its role in the WTO?

The WCIT is a private group, whose members are primarily trade-dependent corporations, industry groups, and public economic development agencies, all of which are identified in Addendum B. The WCIT itself states that it is responsible for all of the Seattle Host Organization’s (“SHO”)s “financial and legal obligations” and that the “SHO is a division of the WCIT.”^{52 53}

As a private group, the WCIT is not accountable to the public in the same way as the City of Seattle.

3. Did the City authorize the WTO bid?

Several of our region’s elected officials participated in “meet and greets” and a letter writing campaign as part of the WCIT-led effort to convince the U. S. State Department to hold the WTO conference in Seattle. The Mayor’s Office and at least two City Council members participated in these efforts and were generally aware that a bid would be made by the WCIT.

The WCIT letter bid refers to the local corporate community’s willingness to “host” (pay for) \$9,237,000 in costs associated with the WTO, including security, transportation, Convention Center, offices, social events, etc. (See Addendum A) The bid also refers to the Seattle Host *Committee* (the Seattle Host *Organization* was not yet formed) which Ms. Davis told the panel was composed of Mayor Schell, Executive Sims, Governor Locke, the Boeing Company, and possibly Microsoft.⁵⁴

The WCIT bid promises that the “Seattle Host Committee will cover whatever the final costs are” for the WTO. In response to questions about whether any of the members of the Committee knew of the WCIT’s commitment on their behalf to pay for all of the WTO’s final costs, Ms. Davis said she did not know and that the Panel would have to ask each of them.⁵⁵ All of the elected officials who were members of the Seattle Host Committee stated unequivocally that they made no such commitment to Ms. Davis or anyone else.

Although Ms. Davis and the WCIT were telling the State Department that the Committee would guarantee all of the WTO's future costs, they were telling the Mayor's Office something quite different. According to the Mayor's Office, Ms. Davis specifically stated the City should not be concerned about having to pay for any security costs since "major corporations" (not local or state government) would be paying for these costs.^{56 57} Ms. Davis specifically made the point that the City should not raise the issue of the federal government reimbursing the City for its security expenses in connection with the WTO bid (she believed the subject might come up since the federal government had reimbursed Seattle after the APEC conference, discussed below).⁵⁸ In return, Ms. Davis and the WCIT were promising that the City's security costs would be reimbursed.^{59 60}

At her interview by the Panel, Ms. Davis gave yet a third version of these events. Contrary to the WCIT bid, which she signed, and to the statements given to the Panel by the Mayor's Office, Ms. Davis now claims that she believed that the federal government would pay for the balance of the security costs as it had for the APEC Conference.⁶¹ Ms. Davis also claims that the SHO (and by extension the WCIT) believed the City would be involved in paying for security.⁶²

The WCIT letter bid does not have any "cc" on its face, and there is no evidence that copies were sent to the City or other Seattle Host Committee members by Ms. Davis or anyone else. There is no evidence that any City officials were shown the WCIT letter bid or knew its specific contents before Seattle was chosen as WTO host city on January 25, 1999.

The Panel finds that Ms. Davis and the WCIT made commitments to the United States Government on behalf of the City of Seattle, King County and the State of Washington that they were not authorized to make. Indeed, not only had they not even discussed commitments of this magnitude with any of these officials, their discussions with the City were to the contrary. Ms. Davis and the WCIT did not even follow basic business procedure when they failed to send copies of the bid to the affected governments. The Panel cannot imagine that any of the members of the WCIT would tolerate such practices in the management of their own businesses.

4. Did the City have a policy regarding the hosting of events on the scale of the WTO? How was the WTO invited without the City's formal approval?

The Panel discovered that the City does not require Council approval for any large-scale events to be held in the City, regardless of potential police or other costs to the City, and regardless of who sponsors the event. Because such events may cost millions of dollars of tax revenue, and pose a physical danger to City residents and their property, the Panel recommends that the City adopt such a policy for *new*, large-scale events, whether held indoors or outdoors.

We note that in the same month that the WCIT issued its bid, the City Council voted against bidding for a future Olympics to be held in Seattle. The Council's deliberations encouraged a healthy dialogue regarding the benefits (economic development, cultural, legacy of new venues, etc.) and costs (traffic congestion, construction costs, police overtime, possible corruption, etc.) of the Olympics. It is unfortunate that no mechanism was in place that required such a dialogue before the WTO was invited.

The City does have a Special Events Committee to "coordinate the provision of governmental services for events occurring in parks or public places that may require police officers to provide crowd or traffic control."⁶³ Therefore, the Committee does not have jurisdiction over indoor spaces such as the Convention Center, where the WTO meeting was held. It is possible that an indoor event requiring substantial police presence could occur without any coordination between the event organizers and the City's police department. Furthermore, even the existing Committee does not have any formal interaction with the City Council, which has no role in the Committee or its decisions.⁶⁴

Without a formal process and specific criteria to ensure adequate public oversight, City officials explicitly or tacitly approve a *new* major event without a thorough review. Regardless of the benefit to the City, the public picks up the tab. This loose “method” has been in effect for many years, and may well have benefited the City.⁶⁵ Some large events have left behind a lasting legacy to the City, most notably the 1962 World’s Fair which bequeathed us the Seattle Center and added the iconic Space Needle to our skyline. However, the WTO Ministerial has demonstrated that a more formal process is needed to protect our City’s citizens and resources.

5. Did the City make any budget assumptions at the time of the WTO bid?

No. In fact, the WCIT’s \$1.5 million estimate of security costs, contained in its bid, was not obtained from the City.⁶⁶ The \$1.5 million was allegedly based on the City’s police costs for APEC.^{67 68} However, in preparing its bid, the WCIT did not consult with the Seattle Police Department on what the actual security costs might be for this event. Therefore, the WCIT’s estimate of security costs did not reflect an assessment by Seattle police officials of the likely costs of security for the WTO.

The Panel finds the failure of the WCIT to even involve the Seattle Police Department in estimating security costs unacceptable. The Panel believes that any well-managed business would have requested such important information from the source. The failure of the WCIT to include the Seattle Police Department in arriving at a realistic cost for security would have dire financial consequences for the City. By mid-February, 1999, barely two months after the WCIT bid, the City’s first estimate of security costs was \$3 million, twice what was estimated by the WCIT.⁶⁹

Ms. Davis told the Panel that she never expected the \$1.5 million to be the total security cost, and Mr. Waldmann, director of the SHO, stated that he always expected financial support from the federal government.⁷⁰ It is not clear why Ms. Davis and Mr. Waldmann expected support from the federal government when they had already promised in the WCIT bid that all the costs would be borne locally, and after the State Department had informed them that the federal government would not be picking up the tab.^{71 72}

Although we will never know what would have happened had the WCIT asked the City for its security estimate, it is possible that the WCIT may have determined that it could not raise \$3 million for security, and would either have abandoned its bid or asked the federal government up front to reimburse security costs. Either outcome would have been more beneficial financially to the City and its taxpayers.

Of the WCIT’s admitted commitment to pay for \$1.5 million in security (it refuses to acknowledge its commitment to pay for all security costs), it has paid only \$320,000.⁷³ As the Mayor stated to the Panel: “[T]he \$1.5 million that the Host Committee promised the City ought to be paid to us, and we’ve also conveyed that to the Host Committee.”⁷⁴

The Panel finds that the SHO/WCIT breached its oral commitment to the City to pay for the City’s security costs. Although the WCIT is admittedly responsible for the SHO’s legal and financial obligations, the WCIT has failed to honor its commitment.

6. At the time of the WTO bid, did the City have knowledge of the demonstrations at the 1998 WTO meeting in Geneva? Should the City have been on alert prior to the WTO bid of the potential for chaos that occurred?

Prior to the WTO bid, City officials had been briefed on the demonstrations at the 1998 WTO meeting in Geneva.⁷⁵ The briefing was given by Jacques Chaubert, then the WTO Director of Finance and Administration, on November 13, 1998, during the WTO's second site visit to Seattle. Mr. Chaubert characterized the events as "terrible problems...violent demonstrations" and described an incident in which a delegate's car was set on fire.⁷⁶ One of the Seattle Police Department ("SPD") representatives at the meeting responded, "Well, we've dealt with demonstrations before."⁷⁷ In March, 1999, after acknowledging the demonstrations at the 1998 Geneva WTO meeting and predicting "sizeable demonstrations" in Seattle, SPD Assistant Chief Ed Joiner noted that they expected to work "effectively" with the demonstrators to ensure both that their message was heard and that the demonstrations were peaceful.⁷⁸ Therefore, the SPD was aware of what had occurred in Geneva and on at least two occasions flatly stated that SPD was capable of handling the expected demonstrations in Seattle. Other local and federal law enforcement agencies were also aware of the details of the Geneva demonstrations as early as February 1999.⁷⁹

It was not until later in the spring of 1999, long after Seattle was chosen to host the WTO, that groups opposed to the WTO first adopted a strategy to shut down the Seattle Ministerial.⁸⁰ Until that time, the groups who were opposed to some or all of the WTO's policies and procedures were focusing on other forms of demonstrating their opposition.⁸¹

The Panel finds that as of the date Seattle was chosen as the site of the WTO Ministerial, January 25, 1999, it was foreseeable that there would be some demonstrations at the WTO meeting, but it was not clearly foreseeable that demonstrators would attempt to shut down the City or vandalize businesses. The Panel also finds that as of January 25, 1999 it was reasonable for the Mayor to rely upon the leadership in the SPD who assured the City that the SPD was capable of handling the expected demonstrations.

7. What was the City's experience with APEC and was it reasonable to base WTO planning on the City's APEC experience?

The 1999 WTO meeting was that organization's first general meeting held in the United States. There was no precedent in America for the logistics and costs of hosting such an event.

The WTO was expected to draw ministers from 134 countries, with an additional 30 observer nations. At the time of the WTO bid, it was unknown how many heads of state would attend. The City's APEC experience showed that security costs dramatically escalate for heads of state, primarily for motorcades. The 1993 APEC Conference in Seattle was attended by 12 heads of state, and the security cost for that meeting was just over \$1.5 million.⁸²

The WCIT was intimately involved in planning for the APEC meeting.⁸³ There were seemingly two lessons the WCIT should have drawn from the City's APEC experience: one, that since security costs increase with the number of heads of state who attend and they frequently choose to attend only at the last minute, your planning must take this into account; and two, there should be an agreement with the federal government up front for reimbursement for security costs or the Seattle taxpayer could be left holding the bag for millions of dollars.

It was only after the APEC Conference was over that the federal government approved and funded just under \$1 million in reimbursement for Seattle's APEC costs. It was only because of the tenacity of City officials, especially its Office of Intergovernmental Relations ("OIR"), and our state's congressional delegation that these funds were paid. Even with the \$1 million, the City had over \$900,000 in costs not reimbursed by the federal government.^{84 85}

The \$1 million paid to Seattle for some of its APEC costs came out of the U. S. State Department's budget, and was quite a sore point for State Department official John Dieffenderfer, who was also in charge of site selection for the WTO meeting.⁸⁶ Several witnesses interviewed by the Panel noted that as of the WCIT bid, the State Department continued to nurse these bad feelings, which was partially responsible for the failure of the federal government to acknowledge its responsibility to pay for Seattle's security costs.^{87 88}

As the WTO meeting date drew closer and the City's estimate of its security costs rose even higher, the WCIT started to deduct its own expenses for "security" from the \$1.5 million it had promised to reimburse the City for its police costs. The WCIT deducted the amount it paid to Convention Center tenants whose business were to be closed during the Ministerial, the cost of magnetometers and magnetometer staff, and the cost of reimbursing and relocating monthly parkers at the Convention Center.⁸⁹

The WCIT did not put into practice the lessons from its APEC experience. After promising that all of the City's security costs would be reimbursed, it not only failed to honor that commitment but deducted its own expenses from the amount it had estimated that the City would be reimbursed. The WCIT not only failed to seek federal reimbursement for security costs up front, it also asked the City not to bring up the subject prior to the WCIT's bid. The WCIT's determination that the security costs would be equal to or less than those for APEC was based more on guesswork than proper contingency planning for a "worst case" scenario.

8. Why was there no agreement between the City and the WTO and the SHO/WCIT regarding responsibility for security and other costs?

It is common for local governments to enter into a Memorandum of Understanding ("MOU") with other governments regarding the sharing of costs and responsibility for certain joint events or programs. Although MOUs were discussed by City officials, the City did not enter into an MOU with any party regarding the WTO Ministerial.

At a City Council briefing in March, 1999, it was discussed by the Council, OIR and the Mayor's Office that there should be two separate MOUs involving the WTO, one between the City and the SHO/WCIT and one between the City and the US Trade Representative, who was the United States' representative to the WTO.⁹⁰ It was also proposed that there be a Council resolution approving the MOUs.⁹¹ The purpose of the MOUs was to ensure that the SHO/WCIT would pay at least the \$1.5 million for security, or more, if fundraising went well, and to seek possible reimbursement from the federal government if expenses were not otherwise covered. The United States Trade Representative did request an MOU with the City, but that proposal died and the suggested MOU with SHO/WCIT was never drafted. There is no indication that the Council brought up the subject again with OIR or the Mayor's Office.

The Panel believes that after the discussion of the MOUs in March 1999, that it was incumbent upon OIR, the Mayor's Office, and the City Council to follow through on negotiating MOUs and that all three parties failed to do so.

9. Was it reasonable for the City to lend its support to inviting the WTO to Seattle?

Yes. Seattle is a trade-dependent city. It has been estimated that one out of four jobs depends on international trade and that Washington State has the highest per capita value of exports of any major state, with total two-way trade exceeding \$80 billion annually.⁹² One of the many responsibilities of local elected officials is to promote jobs and economic development and, in Seattle, that includes trade. Given our dependence on trade, it was natural that Seattle would be interested in hosting a major conference on trade policy.

The Mayor and City Council members are frequently asked to support various conferences and events held in our City. Indeed, citizens expect their elected officials to support economic, cultural and civic functions. It is not possible for each of these events to be vetted as one would want to do if the City were to be financially liable for the event.

Numerous elected officials were asked to draft letters supporting the effort to have Seattle host the WTO and did so. The list includes all 11 members of our state's congressional delegation, the Governor, and the King County-Metro Executive. In providing self-described "window dressing", the City relied upon its prior experience with the WCIT and Ms. Davis and its expectation that they would live up to their commitment.⁹³

The Panel finds that at the time of the WCIT bid, given the City's vital interest in international trade, the Mayor's Office's reliance on Ms. Davis and the WCIT appeared to be reasonable.

IV. RECOMMENDATIONS

1. Adopt a formal process, with citizen participation, to approve new events with major budget impacts.

The Panel has heard from numerous witnesses and citizens that a more formal approval process should be required before the City consents to support a new event with the potential for a major impact on the City's budget. The Panel wholeheartedly agrees with this suggestion.

The specifics of such a process for evaluating *new* major events are beyond the scope of this Panel, and are more suited for the City Council, which can ensure citizen participation in shaping a process. We do, however, recommend that the City take into account at least the following factors:

1. Setting a threshold amount of estimated police and other City costs before a new event would be subject to review. We suggest that the Police Department may have some suggestions as to the amount of the threshold and ways of estimating what a particular event may require in police costs. Planning should be based on a "worst case" scenario.

2. Recognize that our citizens have the cherished right to peacefully protest and otherwise legally exercise their First Amendment rights. Any process should not be biased against allowing an event merely because there may be marches and other forms of nonviolent protest. On the other hand, the City has the right to reject a commercial event that may cost our taxpayers millions in unreimbursed police costs.

3. The process should have a short time fuse so as to not cripple our visitors and convention business, which is important to a healthy city. This will require that the information needed by the City be clearly delineated, that the City have one contact department/person to answer questions about the process, and that the event sponsors are willing to provide timely information to the City.

4. The event sponsors should be required to provide regular, publicly available reports after approval and before the event occurs to ensure that conditions have not changed significantly. In the event of a significant change, the City and the event sponsors need to ensure that the event is still appropriate for the City, or make appropriate changes.

5. Citizen review should be incorporated into the process, even though it may be on a short time fuse.

6. The Mayor's Office/Executive should be specifically responsible for ensuring compliance with any conditions placed by the City with regard to approval of an event.

Separate from this report, the Panel is submitting information to the City Council gathered from other jurisdictions regarding their policies for hosting major events which require a large subsidy from the jurisdiction.

2. Adopt sanctions against the Washington Council on International Trade and its President, Pat Davis.

The Panel believes that the Washington Council on International Trade and its President demonstrated disregard for the interests of the public by their conduct as described above.

The Panel believes that finding responsibility without recommending discipline undermines the public's faith in our government. This applies to misconduct by a public official, or by a private partner in a public-private partnership.

In order to avoid a repetition of such conduct, and as a warning to others who would misrepresent the City, the Panel strongly recommends that the City Council adopt sanctions as to Pat Davis and the Washington Council on International Trade. The Panel supports the following sanctions: a written censure or a requirement that the City not do business with Pat Davis or the WCIT for a period of time.⁹⁴

It has been asserted that it is inappropriate to "cast blame" for the events surrounding the WTO meeting. We do not blame Ms. Davis and the WCIT for the problems associated with the WTO Ministerial, but we do seek to hold them responsible for their own conduct, including misrepresenting our City to the federal government.

We believe these sanctions would be appropriate even if the WTO had been completely peaceful and had not cost taxpayers any money. Our recommendation is primarily made because private parties misrepresented the City, not only without any authority but after having stated the contrary to the City. This recommendation is also supported by the other conduct described above.

This recommendation is not meant to discourage citizens or entities trying to bring convention business or other events to Seattle. It is meant to hold convention and event sponsors accountable for any misrepresentations and deliberate concealment of vital information; it is meant to encourage them to abide by their promises, especially those promises made to convince the City not to take action itself (such as seeking an early promise of reimbursement from the federal government for security costs). Honest and forthright sponsors have nothing to fear from this recommendation.

3. Work with other local governments across the country to get automatic federal reimbursement for international meetings invited to the US by the federal government.

The Panel recommends that the City lobby other local jurisdictions to put pressure on the federal government to pay for the security and other extraordinary costs for all international events held in the United States which result from an invitation from the federal government.

¹ Interview with Kathy Paxton, 4/17/00.

² *Seattle Times*, 11/26/99, "WTO: Why it wound up here – in rainy holiday season." and interview with Kathy Paxton, 4/17/00.

³ Davis, Patricia (WCIT) and Kathy Paxton, letter to John Dieffenderfer, 12/16/98 and attachments.

⁴ "50eme Anniversaire de L'Organisation Mondiale du Commerce, 18-19-20 mai 1998" Supplement au Journal de la Police Genevoise, document received from Seattle Police Department.

⁵ *The Economist*, 5/23/98, "Trade Talks. The water-treading organisation."

⁶ *Wall Street Journal*, 5/18/98, "As WTO marks 50th birthday, event attracts opponents to globalization."

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- ⁷ Interview with Kathy Paxton, 4/17/00.
- ⁸ Interview with Kathy Paxton, 4/17/00.
- ⁹ Lorentz, Don, letter to Rita Hayes, 6/15/98.
- ¹⁰ Paxton, Kathy, fax to Seattle hotels, 6/19/98.
- ¹¹ Provyn, Frank R., letter to Chicago Destinations Showcase exhibitors, June 18, 1999.
- ¹² Traisman, Clifford (OIR), undated memorandum to Mayor Paul Schell, "OIR Weekly Report/June 21-26."
(Submitted to WTO ARC with a post-it identifying it as WTO info from May – Dec 98.)
- ¹³ Ellwanger, Kimberly, letter to President Clinton, 6/24/98, faxed by Pat Davis (WCIT) to Bill Stafford, Trade Development Alliance, same day.
- ¹⁴ Paxton, Kathy, fax to Seattle hotels, 7/9/98.
- ¹⁵ Paxton, Kathy, fax to Seattle hotels, 7/31/98.
- ¹⁶ *Seattle Times*, 11/26/99, "WTO: Why it wound up here - in rainy holiday season."
- ¹⁷ Traisman, Clifford, undated memorandum to Mayor Paul Schell, "OIR Weekly Report August 1 - August 7."
- ¹⁸ Dieffenderfer, John H., fax to Seattle/King County Convention and Visitors Bureau, 8/5/98.
- ¹⁹ Locke, Gary, letter to President Clinton, 8/13/98.
- ²⁰ *Puget Sound Business Journal*, 8/14/98, "Seattle lobbies for WTO powwow".
- ²¹ Paxton, Kathy, email to Michael McQuade and Susan Newcomb, 8/16/98.
- ²² Paxton, Kathy, letter to John Dieffenderfer, 8/18/98.
- ²³ Paxton, Kathy, fax to Seattle hotels, 8/18/98.
- ²⁴ Washington State congressional delegation, letter to President Clinton, 8/18/98.
- ²⁵ Paxton, Kathy, email to Mike Mullen, 8/20/98.
- ²⁶ Paxton, Kathy, email to Pat Davis, 8/21/98.
- ²⁷ Schell, Paul, letter to President Clinton, 8/24/98.
- ²⁸ Sims, Ron, letter to President Clinton, 8/24/98.
- ²⁹ Unsigned agenda for the WTO Site Selection Team visit, 8/28/98.
- ³⁰ Interview with Kathy Paxton, 4/17/00.
- ³¹ Dieffenderfer, John, fax to Kathy Paxton, 8/31/98.
- ³² Condit, Phil, and Bill Gates, letter to President Clinton, 8/31/98.
- ³³ Dieffenderfer, John, email to Kathy Paxton, 9/1/98.
- ³⁴ Dieffenderfer, John, fax to Kathy Paxton, 9/17/98.
- ³⁵ Dieffenderfer, John, fax to Kathy Paxton, 9/22/98.
- ³⁶ Unsigned itinerary for the site inspection, September 30-October 2, 1998.
- ³⁷ *Seattle Post-Intelligencer*, 10/1/98, "City sized up for high-power meeting".
- ³⁸ Plummer, Ken, email to Kathy Paxton, 10/6/98.
- ³⁹ Dieffenderfer, John, fax to Kathy Paxton, 10/22/98.
- ⁴⁰ Traisman, Cliff and Keith Orton (OIR), 11/12/98, memo to Mayor Paul Schell, "Brief meeting with WTO site selection team"; unsigned site inspection itinerary.
- ⁴¹ Traisman, Cliff and Keith Orton (OIR), 11/12/98, memo to Mayor Paul Schell, "Brief meeting with WTO site selection team"; unsigned site inspection itinerary.
- ⁴² "Seattle Host Committee Incentives", part of a packet given to the site selection team on Nov. 12, 1998.
- ⁴³ Davis, Patricia, letter to Steve Morris, 11/20/98.
- ⁴⁴ Davis, Patricia (WCIT) and Kathy Paxton (Seattle-King Co. Convention & Visitors Bureau), 12/16/98. Letter to John Dieffenderfer, Office of International conferences, US Dept. of State.
- ⁴⁵ *Honolulu Advertiser*, 1/26/99, "Honolulu loses World Trade bid".
- ⁴⁶ Traisman, Cliff, 2/10/99, memo to Mayor Paul Schell and Council President Sue Donaldson, "World Trade Organization (WTO) Update".
- ⁴⁷ Traisman, Cliff, 2/10/99, memo to Mayor Paul Schell and Council President Sue Donaldson, "World Trade Organization (WTO) Update".
- ⁴⁸ Traisman, Clifford, undated memo to Mayor Paul Schell, "OIR Weekly Report/February 15 - February 19."
- ⁴⁹ Interview with Kathy Paxton, 4/17/00.
- ⁵⁰ Seattle Host Organization Volunteer Handbook, August 16, 1999 letter from Mayor Paul Schell, Executive Ron Sims, and Gov. Gary Locke to WTO volunteers.
- ⁵¹ WCIT's "WTO-SHO PRIMER: A Quick Guide for SHO Chairs", published on WCIT letterhead, undated.
- ⁵² WCIT's "WTO-SHO PRIMER: A Quick Guide for SHO Chairs", published on WCIT letterhead, undated.
- ⁵³ Seattle Host Organization Volunteer Handbook, p. 2.

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- ⁵⁴ The August 28, 1998 agenda for the WTO first site selection team visit lists all 5 as the members of the Seattle Host Committee.
- ⁵⁵ Panel 1 interview with Pat Davis and Ray Waldmann.
- ⁵⁶ Panel 1 interview with Mayor Schell and Deputy Mayor Daudon.
- ⁵⁷ On May 9, 2000, the federal government finally approved reimbursement for WTO security costs of \$3.8 million to be divided among local police departments, including the City's. This amount fell woefully short of the City's actual police costs of approximately \$9.3 million, not including \$3 million more incurred by other local and state agencies. *Seattle Times*, 5/9/00, "\$3.8 Million on Way to Pay WTO Bills."
- ⁵⁸ Panel 1 interview with Mayor Schell and Deputy Mayor Daudon.
- ⁵⁹ Panel 1 interview with Mayor Schell and Deputy Mayor Daudon.
- ⁶⁰ After the WCIT bid was approved, the Seattle Host Organization itself petitioned the federal government to pay for costs the WCIT had committed it to pay. Panel 1 interview with Cliff Traisman and Keith Orton. Amazingly, after the WTO bid was secured, the SHO informed the City that even the minimal \$1.5 million it initially promised to reimburse the City for security would be reduced by the amount the SHO determined that the SHO was paying for security, such as the relocation of tenants from the Convention Center during the WTO meeting. Memo from Ray Waldmann to Lt. Dick Reed, 8/31/99. At no time was the taxpayer's interest represented in these decisions by the WCIT and SHO. The SHO/WCIT decided to pay all other costs before reimbursing the City for security costs (Id.), rather than some more equitable distribution of the funds raised to host the WTO. It would not be difficult to posit that that the lack of citizen oversight of the SHO/WCIT resulted in the taxpayer's interests being relegated to last place by the SHO/WCIT.
- ⁶¹ Panel 1 interview with Ms. Davis and Ray Waldmann.
- ⁶² Panel 1 interview with Ms. Davis and Ray Waldmann.
- ⁶³ Seattle Municipal Code ("SMC") §15.52.010.
- ⁶⁴ Id., §15.52.020; the Special Events Committee is composed of representatives of various City and County departments and three citizens appointed by the Mayor.
- ⁶⁵ Without undue incident, the City hosted the 1990 Goodwill Games, the 1993 APEC Conference (with 12 heads of state), the 1994 visit by Boris Yeltsin, then President of Russia, and the 1996 Quadrilateral Trade Ministerial.
- ⁶⁶ Panel 1 interview with Mayor Schell and Deputy Mayor Daudon.
- ⁶⁷ Draft of WCIT letter bid budget for WTO costs, dated 12/16/98, budget revised 12/11/98.
- ⁶⁸ Panel 1 interview with Ms. Davis and Ray Waldmann.
- ⁶⁹ Panel 1 interview with Cliff Traisman and Keith Orton ("At that point [Feb. 15, 1999]... one early number estimated three million for security.")
- ⁷⁰ Panel 1 interview with Ms. Davis and Ray Waldmann.
- ⁷¹ Panel 1 interview with Ms. Davis and Ray Waldmann.
- ⁷² Interview with John Dieffenderfer.
- ⁷³ *Seattle Times*, 6/7/00, "Too Little, Too Late: WTO Group Turns Over \$320,000."
- ⁷⁴ Panel 1 interview with Mayor Schell and Deputy Mayor Daudon.
- ⁷⁵ A 5/16/98 article in Deutsche Press-Agentur, a German news service, states that 4,000 demonstrators protested at the 1998 Geneva WTO meeting, and did significant damage, including damaging cars and buildings, and throwing paintbombs and bottles. One local newspaper, using this report as its source, mistakenly stated the number of demonstrators in Geneva was 40,000.
- ⁷⁶ Panel 1 interview with Kathy Paxton.
- ⁷⁷ Panel 1 interview with Kathy Paxton.
- ⁷⁸ Transcript, Mayor's Office/City Departments' 3/29/99 City Council WTO Briefing, p. 4. At the briefing, SPD Assistant Chief Ed Joiner downplayed any concerns about demonstrations: "The third issue we're looking at is possible demonstrations. We understand that there were demonstrations in Geneva [at the 1998 WTO Meeting], and given some of the stands that the World Trade Organization has taken, and this particular city's political approaches to some of these issues, we expect sizeable demonstrations. We've had a history of being able to work very effectively with the demonstration leaders and allow them to conduct their event in a way that gives them the coverage that they need and can make the points that they make but avoid situations where we get involved in either property damage or any kind of confrontative demonstration. So we're expecting the same approach this time as well."
- ⁷⁹ Email from Chief of Detectives Jackson Beard, King County Sheriff's Office, 2/16/99; reports of a statement made by an FBI representative at the first meeting of the Public Safety Executive Committee on 2/2/99 - members of

this committee were senior officers from SPD, King County Sheriff's Office, Washington State Patrol, and Seattle Fire Department.

⁸⁰ Finnegan, William, "After Seattle", *The New Yorker*, April 17, 2000, p.45 ("Late last spring, a young organizer named David Solnit... approached Beck with a plan to shut down the Seattle [WTO] meeting. Dozens of groups, including the A.F.L.-C.I.O. and Global Trade Watch, a leading branch of Nader's Public Citizen, were already planning for Seattle. But no one was talking shutdown. Solnit thought it could be done...and DAN [the Direct Action Network] was hatched.")

⁸¹ Finnegan, William "After Seattle", *The New Yorker*, April 17, 2000, p.45.

⁸² Press Release, Office of U.S. Senator Patty Murray, 1/28/94; Transcript, Mayor's Office/City Departments' 3/29/99 City Council WTO Briefing, pp. 6-7; conversation with City Budget Office, 6/20/00.

⁸³ Panel 1 interview with Mayor Schell and Deputy Mayor Daudon.

⁸⁴ The United States may be unique in this regard; the common practice in other countries is that the central government pays all police and other costs for international events hosted in that country.

⁸⁵ Press Release, Office of U.S. Senator Patty Murray, 1/28/94.

⁸⁶ See Nov. 10, 1998 Memo from Messrs. Traisman and Orton, OIR, to Mayor Schell, page 2.

⁸⁷ Panel 1 interviews with Messrs. Traisman and Orton, Mayor Schell and Deputy Mayor Daudon.

⁸⁸ Just prior to the event, the federal government did agree to cover the costs of shuttle transportation for delegates and of magnetometers and magnetometer staff for the Convention Center, for a total of \$1 million; however, according to sources involved in the planning, only about half of this amount has been paid.

⁸⁹ Memo from Ray Waldmann to Lt. Dick Reed, SPD, 8/31/99.

⁹⁰ Transcript, Mayor's Office/City Departments' 3/29/99 City Council WTO Briefing, pp. 10-11.

⁹¹ Transcript, Mayor's Office/City Departments' 3/29/99 City Council WTO Briefing, pp. 10.

⁹² Nov. 10, 1998 Memo from Messrs. Traisman and Orton, OIR, to Mayor Schell, attachment page 2, ¶7.

⁹³ Panel 1 interview with Mayor Schell and Deputy Mayor Daudon.

⁹⁴ The panel recognizes that Ms. Davis is an elected Commissioner of the Port of Seattle and, as part of her official duties on behalf of the Port, may be required to do business with the City. The Panel would exempt any such required official duties from its ban. The City Council may well benefit from obtaining legal advice on this issue.