

THE BATTLE IN SEATTLE*

Part 1

Seattle's desire to establish a reputation as a "world class" city hung in the balance as Michael Pitts sat down at his desk on September 10, 1999, to review the documentation he had collected in preparation to write his evaluation of the city's state of readiness to host the third Ministerial Conference of the World Trade Organization (WTO). Pitts, an organizational consultant, had been hired by Seattle Host Organization (SHO) to assess the city's preparations for this major international trade conference scheduled for November 30 through December 3, 1999. What greeted him in the morning papers was an alarming article [see Attachment 1] describing "what is likely to be the biggest protest in America against the globalization of commerce."¹ Several groups were promising to shut down the meetings.

Pitts faced a daunting task in trying to piece together the planning process and make some cogent but politically sensitive recommendations. Seattle city leaders held high expectations for these meetings, as did the White House. Both President Clinton and Vice President Gore were now expected to make appearances at the meetings. Perhaps a dozen foreign heads of state were expected to attend all or part of the meeting. The WTO itself had high expectations about what could be accomplished during the "Seattle Round."

The US government had put the hosting process out to bid among interested cities, expecting that part of the host responsibilities included raising sufficient capital and in-kind resources to pull off a major meeting. The WTO, the successor organization to the GATT (General Agreement on Tariffs and Trade), had held many meetings over the years in a wide variety of locations, many with far less infrastructure to support an international meeting than Seattle had. Seattle leaders, for their part, relied on the general model they had employed in hosting both the Goodwill Games in 1990 and the APEC Ministerial meetings in 1993. This approach entailed a public-private partnership.

The successful bid to host the third ministerial meeting of the WTO had been shepherded by a group of Seattle notables including Mayor Paul Schell, King County Executive Ron Sims, and Governor Gary Locke -- all up and coming Democratic politicians of note. Together they seemed to represent the new face of the Democratic Party: youthful, energetic, ethnically diverse. Schell had gained a reputation as the "idea-a-minute mayor," focused on promoting economic growth by building the infrastructure Seattle and the Pacific Northwest would need to become a solid and convincing player in world trade and international investment. Seattle and Washington State, despite their heavy dependence on trade, still retained a good deal of their provincialism. Voters had repeatedly turned down proposals to add a third runway at SeaTac airport, thus hindering further expansion of air cargo flows through the Port of

* This case study was prepared by Leslie C. Eliason as part of the International Commercial Diplomacy Project © 2001. All rights reserved.

¹ David Postman, "Protesters busily practice for WTO meeting in Seattle," *Seattle Times*, September 10, 1999. Local News. <http://archives.seattletimes.nwsour.com>.

Seattle. All international banking business for Seattle-based corporations, including Microsoft and Boeing, had to flow through banks outside the state (mostly California). Even the leisure cruise industry for the greater Pacific Northwest (including Alaska destinations) had moved to Vancouver, British Columbia. At least since the early 1990s, Seattle community leaders had been engaged in a concerted effort to put Seattle on the international map and to establish the city as a contender for international trade and investment.

After consultations among various trade-related organizations in the region, the so-called Seattle Host Committee (SHC) was formed in August 1998 to bring the WTO meeting to Seattle. It was led by Port Commissioner and president of the Washington Council on International Trade (WCIT) Patricia Davis. Founded in 1973, WCIT is a private, nonprofit association supported by corporate and individual members. WCIT's members share a common dedication to promoting strong two-way trade between the United States and its trading partners. WCIT programs focus on key public policy issues in international trade and economic affairs with special emphasis on educating the public about trade issues. WCIT works closely with the media, civic groups, elected leadership, and educational institutions in the state. This mission is particularly important to the region because the health of the Washington economy depends on international trade: Washington is the most trade-dependent state in the nation. WCIT led the effort to bring the WTO meeting to Seattle. The Seattle Host Organization (SHO), the entity that succeeded the SHC after President Clinton awarded the bid to Seattle, legally came under the auspices of WCIT. WCIT stepped forward as the legal entity to sign contracts for the SHO because SHO was not incorporated and therefore could not enter binding contracts. This arrangement because the WTO meeting “could not legally have been hosted by the City, or by any other Washington state governmental body. The state constitution (Article VIII, Sections 5 and 7) prohibits government entities from giving money in aid of or lending [sic] credit to individuals or private entities other than for charitable purposes. This restriction effectively prevents the City from entering into contracts for services and goods (such as catering, leases, etc.) that would be necessary if the City were to be the host of an event such as the WTO meeting.”²

The Washington State congressional delegation along with the members of the SHC (see below) did their best to lobby on behalf of Seattle’s bid which was viewed by some as a long shot -- some 40 other US cities had entered the competition. But the SHC did its best to influence decision makers at the US Department of States’s Office of International Conferences (OIC) and the White House to select Seattle. From September 30 to October 2, 1998, the OIC’s site selection team visited the city and Seattle was subsequently selected as one of six finalist cities.

Members of the Seattle Host Committee (SHC)

Phil Condit, CEO, The Boeing Company (co-chair)

² Letter from Henry (Skip) Kotkings, Jr., Chair, Board of Directors, WCIT, to the Honorable Jim Compton, Chair, Accountability Review Committee (ARC) Panel 3, the Honorable Jan Drago, Chair, ARC Panel 1, and the Honorable Nick Licata, Chair, ARC Panel 2 (all Seattle City Council Members), August 21, 2000.

Bill Gates, Chairman, Microsoft Corporation (co-chair) Governor Gary Locke King County Executive Ron Sims Seattle Mayor Paul Schell Patricia Davis, President, Washington Council on International Trade (WCIT)

Seattle had some experience hosting international events -- Ted Turner's Goodwill Games between the US and the USSR in 1990 and the 1993 Asia Pacific Economic Cooperation (APEC) Conference which was expanded to include a summit hosted by President Clinton that brought together 14 heads of state. These two successful ventures served as the templates and historical referents for the WTO planning.

WCIT had led the effort to host the APEC ministerial meeting (November 14-19, 1993). The State Department gave the contract to Seattle in late 1992, allowing roughly one year to prepare. Initially planned for 750 delegates and several hundred press representatives, the meetings expanded dramatically in terms of logistics when three months before the meeting, President Clinton decided to invite the heads of state of the 15 member states of APEC to attend a leaders' summit immediately after the conclusion of the APEC ministerial meeting. The security arrangements for heads of state, combined with the rise in the estimated press corps to 3000, complicated planning. Estimated expenses rose to about double what had originally been budgeted (from an original estimate of between \$500,000 and \$800,000 to about \$1.6 million, \$1.2 million of which would be Seattle police costs. Just one month before the meetings, the city had no idea how it would finance the additional costs. Private fundraising efforts had fallen far short of expectations. Eventually, under concerted political pressure from the Washington State Congressional delegation, the State Department reluctantly agreed to cover the budget deficit for APEC and security related to the heads of state meeting. Seattle community leaders involved in this event who were still around during the WTO bid and planning stages were keenly aware that State Department officials still felt burned by the APEC experience since the \$1.2 million deficit came out of their operating budget. Back channels had made it clear that the State Department still harbored a grudge about having to foot the bill for the underfunding of the Seattle APEC meetings. From the State Department's perspective, the fault lay with the Seattle hosts who had failed to raise the money from private sources.

When all was said and done, the APEC meetings in Seattle were declared a success, even if the State Department was less than pleased with the financial arrangement. Thus the APEC experience -- or at least community leaders' recollection of the organizing efforts surrounding APEC -- became the model on which the WTO planning process was based.

The initial formulation of a WTO bid including pricing out the various elements with estimates of costs and potential in-kind and other contributions was difficult and the Seattle Host Committee had to rely on estimates based on past experience along with add-ons suggested by various community leaders and convention bureau employees. In its October 22, 1998 letter to the Seattle Host Committee, the State Department indicated

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).”³ During the months of negotiations back and forth between SHC and officials in Washington, DC, it became clear that neither the WTO nor the US State Department had a reliable list of what hosting the conference would require. Requests for meeting and office space seemed to change each time the SHC met with officials from the WTO and OIC. “The solution for WCIT was to itemize expenses as best it could and to commit to paying for any other expenses that might arise as the planning evolved. That surprising commitment was apparently based on the conviction that there was sufficient private support to raise more than the \$9.2 million listed in the bid letter [see Attachment 2], and that an open-ended offer would be more attractive to the selection committee in Washington, DC.”⁴

The World Trade Organization was of little assistance in providing information on which to estimate the potential costs of the Seattle meeting. The first ministerial meeting had been hosted by the government of Singapore. As an authoritarian state, Singapore was well-equipped to limit (if not outright repress) any kind of demonstrations or disruptions to the meetings. Furthermore, there were no troublesome legal limitations on how much or on what the government could spend.

The second ministerial meeting was held in Geneva where many of the expenses involved in getting delegates to and from the meetings, and supplying the necessary services and documentation were absorbed into the regular operating budget of the organization. The one area where the second ministerial meeting should have provided important information to Seattle planners was in the area of security. In early October 1998, three officers of the Seattle Police Department met with representatives of the WTO and the State Department who were in Seattle on one of their site selection visits. The delegation brought up the riots that had occurred in Geneva during the second ministerial meetings, but Seattle officials were determined to reassure the delegation that Seattle was fully prepared to handle the security needed for the event. Later, after Seattle had won the bid, Burdena Pasenelli, the FBI agent-in-charge at the Seattle office, held a meeting in late January 1999, to discuss the security challenges of hosting the WTO. She emphasized that the Geneva meeting had been marred by civil disturbances and that there was a strong probability that planners should expect this kind of activity in Seattle as well.

In early November 1998, Cliff Traisman and Keith Orton, members of Seattle Mayor Paul Schell’s team in the City’s Office of Intergovernmental Relations, were busy briefing their boss on how to handle the site selection team, USTR and State Department

³ Panel 1: Final Report of the Citizens’ Advisory Panel One to the WTO Accountability Review Committee of the Seattle City Council, Panel One: WTO Invitation, June 29, 2000.

⁴ “Lost Opportunities: The Budget for the Seattle Meeting of the World Trade Organization,” The Budget for the Seattle Meeting of the World Trade Organization Report of the Citizens’ Advisory Panel on WTO Invitation, Part Two, September 14, 2000.

representatives due to meet with him on November 12. In a memo dated November 10, Traisman and Orton warned the mayor not to mention reimbursement issues since, “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.”⁵

On January 25, 1999, Mayor Schell proudly announced that the White House had chosen Seattle to host the third WTO ministerial meeting. “Holding the conference in Seattle was portrayed as a coup that would bring millions of dollars in revenues to local business owners. More importantly, hosting the WTO Ministerial Conference would solidify Seattle’s reputation as a ‘world class’ city and place us at the hub of international trade.”⁶ The Seattle Host Committee was replaced by the Seattle Host Organization, supervised by WCIT and chaired by WCIT president Patricia Davis. Cliff Traisman, representing the mayor’s Office of Intergovernmental Relations, attended the SHO’s monthly meetings and kept the mayor and City Council President Sue Donaldson apprised of various developments. Traisman headed a separate WTO Coordinating Committee for the City of Seattle, but this group included only City staff, not members of the SHO. In February, he sent a memo to both the mayor and the city council president stating that “the WTO meetings will affect a number of City Departments (and might have significant budget impacts for some...” including the police department that had already created a WTO team.⁷ Traisman also noted that if, as it appeared might be the case, both Clinton and Gore attended along with a number of additional heads of state, “the security requirements will quickly escalate.”⁸

Immediately after Seattle’s selection, the Office of the USTR requested a memorandum of understanding (MOU) with the city. The USTR’s original draft of the MOU seemed to imply that the City of Seattle, not SHO or WCIT, was assuming financial responsibility for the meeting. Even after clarifying the arrangement to the USTR, the agency continued to request an MOU with the city and with SHO. Despite several drafts, the agreements were never signed. Traisman was busy organizing the city’s interagency coordinating committee “that was principally concerned with a series of booster-type issues like downtown visitor improvements, cleaning and beautification, public information and outreach, aggressive panhandling and related issues, related activities, and venues, and cultural events.”⁹ Traisman deferred to the SHO to coordinate public and private sector hosting responsibilities.

The main tasks of planning and organizing for the Seattle WTO meeting fell to the SHO. SHO’s planning structure was based on a number of specialized subcommittees headed by volunteers, and overseen by SHO’s executive committee and executive director Ray Waldmann. The subcommittees included fundraising, transportation, hospitality, facilities and equipment, accommodations, website and logo,

⁵ Ibid.

⁶ Panel 2, Final Report, WTO Accountability Review Committee, August 24, 2000.

⁷ “Lost Opportunities.”

⁸ Ibid.

⁹ Panel 2, Final Report, WTO Accountability Review Committee, August 24, 2000.

accompanying persons programs, and the like. However there was no SHO subcommittee specifically designated to deal with security issues.

At the first meeting of the Public Safety Executive Committee held on February 12, 1999, the FBI briefed the membership about riots at the 1998 WTO meeting in Geneva and the 50th anniversary celebration of the General Agreement on Trade and Tariffs (GATT). Seattle Police Department officials seemed to think that such large scale protests were unlikely in the peaceful Pacific Northwest. However, the King County Sheriff's Office representative Jackson Beard reacted quite differently, reporting to King County Sheriff Reichert that the area should be prepared for "10,000 plus demonstrators."

<u>WTO Public Safety Executive Committee</u>	
Seattle Police Department	Chief Norm Stamper (Delegated to Asst. Chief Ed Joiner)
King County Sheriff's Office	Sheriff David Reichert (Delegated to Asst. Chief Jackson Beard)
Seattle Fire Department	Chief James Sewell
Washington State Patrol	Chief Annette Sandberg
FBI	SAC Burdena Pasenelli
U.S. Secret Service	SAC Ronald Legan

On March 11, 1999, the Public Safety Executive Committee announced it had formed a working group, the Public Safety Committee (PSC), to coordinate the public safety planning for the conference. Representatives from local, state, and federal public safety agencies participated in the committee work, with the Seattle Police Department designated as the lead agency and SPD Assistant Chief Ed Joiner chaired the group. The Public Safety Committee met twice per month until mid-September, when the group began meeting weekly. The agencies involved in the PSC were:

Seattle Police Department
Seattle Fire Department
Bellevue Police Department
Tukwila Police Department
King County Sheriff's Office
Port of Seattle Police Department
Washington State Patrol
Federal Aviation Administration
Federal Bureau of Alcohol, Tobacco, and Firearms
Federal Bureau of Investigation
U.S. Department of State Bureau of Diplomatic Security
U.S. Secret Service

Other agencies as needed attended the PSC or subcommittee meetings to coordinate particular aspects of the planning process. These agencies included:

Gray Line Transportation
Immigration and Naturalization Service
Kent Police Department
King County Department of Adult Detention
King County Prosecutor's Office
King County METRO Transit
Seattle Host Organization
Seattle Law Department
Seattle Municipal Court
Seattle Transportation Department
Seattle Executive Services Department
Washington National Guard
Washington State Department of Transportation
U.S. Coast Guard
U.S. Customs
Valley SWAT Agencies

The PSC established several subcommittees to deal with specific aspects of planning for safety and security during the WTO meetings. These included: Intelligence; Venues; Demonstration Management; Accreditation; Transportation and Escort Management; Criminal Investigations; Communication; Public Information/Media; Explosive Ordinance Disposal, Hazardous Materials, Weapons of Mass Destruction (EOD/HazMat/WMD); Fire and Emergency Medical (Fire/EMT); and Tactical.

As the lead agency, SPD established a full-time planning unit for liaison with the PSC and to coordinate the work of the subcommittees. The SPD Planning Unit was charged with:

- Plan Preparation:** Coordinate the overall operations and staffing plan, incorporating the work of all subcommittees.
- Provide Command and Control:** Establish a Multi-Agency Command Center for overall coordination and control of agencies deployed during the meeting. Because the WTO Operations Plan gave SPD overall tactical command for Seattle venues, SPD was responsible for activating the Seattle Police Operations Center, using the Incident Command System, and working closely with the City's Emergency Operations Center during the event.
- Conduct Liaison:** Coordinate with the city, other public and private agencies as necessary.

By the middle of March, security cost estimates had increased to \$3 to \$4 million with somewhere between 10 and 15 heads of state expected to attend the meetings. On March 29, 1999, Cliff Traisman and Keith Orton (OIR), Deputy Mayor Maud Daudon, and Seattle Police Department Assistant Chief Ed Joiner briefed the City Council on planning efforts for the WTO meeting. Several Council members including Martha Choe, who had been involved in the APEC meetings, were concerned about stretching Seattle Police Department resources too thin. They suggested that there should be a

memorandum of understanding (MOU) between the City and the US Trade Representative, the US's official representative to the WTO. It was also suggested that the City should similarly sign an MOU with SHO and WCIT to ensure that SHO/WCIT would pay at least the \$1.5 million for security that they had committed to in the bid letter. Cliff Traisman later said that he felt it was too late in the process to engage in those kinds of negotiations and apparently no one on City Council inquired further.

Mayor Schell may have been reluctant to pursue the matter further because of his personal experience in planning for the Goodwill Games. As then port commissioner and a board member of the Seattle Organizing Committee (SOC) for the games, Schell had run up against the City Council when the SOC refused to pay for fire department costs, claiming they were unnecessary. The City Council voted unanimously to withhold nine temporary use permits the SOC needed for venues in Seattle until the SOC agreed to pay for fire services.

Monthly updates from the SHO in May and June indicated that fundraising efforts "are almost halfway there, with \$4.4 million." The Washington State Legislature allocated \$970,000, "an amount equal to the rent and buildout of the Convention Center to be used by WTO."¹⁰ Meanwhile, the Seattle Policy Department had budgeted just over \$7 million for the event, including \$5.5 million in personnel costs and about \$1.5 million in equipment costs. In July, five members of the Washington State congressional delegation sent a letter to the House Appropriations Committee's Subcommittee on Commerce, Justice, State and Judiciary requesting statutory language to direct the State Department to "reimburse the City of Seattle for expenses incurred by the region for providing security for the foreign delegations..." By September, four additional members of the Washington State Congressional delegation had joined the request.

On August 31, Ray Waldmann, director of the SHO, had to write the Seattle Police Department saying that fundraising had fallen behind and that several budgets, including the \$1.5 million promised by the SHO for security, might have to be cut. Waldmann indicated that the City would be reimbursed only after other bills had been settled. The pressure was on to find a way to avert a major cost overrun.

On September 2, during his first press conference since taking over as Director-General of the WTO on the previous day, Mike Moore outlined his priorities for the Seattle Ministerial. He emphasized the need to address the concerns of all WTO member governments. He pointed to the change in public attitudes toward international trade agreements since the GATT round launched in Punta del Este: "This is the cynical 90s and not the optimistic 80s." According to Moore, "This time we will not be able to complain about apathy. In the absence of global conflict between 'isms' some people have chosen to focus their fury on globalism. Thus the WTO has become a target for abuse. This will necessitate new skills at governmental and at the international levels to communicate and engage those citizens especially in the wealthy nations who will protest

¹⁰ "Lost Opportunities

and march and call for barriers to be built to keep out products from poor countries which desperately need the opportunity to work and produce incomes for their families.”¹¹

Pitts poured over a preliminary summary of the operations plan developed by the PSC [Attachment 3] and contemplated what he should report to the SHO concerning the general state of readiness for the WTO meeting.

¹¹ Press Release 135, WTO, “Moore Spells Out Priorities for Seattle Ministerial Conference,” 2 September 1999. http://www.wto.org/wto/english/thewto_e/minist_e/min99_e/english/press_e/pres135_e.htm