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BAUCUS APPLAUDS U.S. VICTORY IN INVESTMENT DISPUTE

U.S. Environmental Regulations Ruled to be Consistent with NAFTA Investment Chapter

Washington, DC – Senate Finance Committee Chairman Max Baucus (D - Mont.) today commended an international panel's finding that certain environmental and other protections imposed by California and the U.S. federal government complied with obligations under the investment chapter of the North American Free Trade Agreement (NAFTA). Specifically, the International Center for the Settlement of Investment Disputes (ICSID) dismissed all claims filed against the United States by the Canadian mining company Glamis Gold Ltd., and found that the environmental measures did not expropriate Glamis' investment. ICSID further found that both California and the U.S. Government provided Glamis with international law minimum standards of treatment, as required under NAFTA.

“This ruling is a clear illustration that we can vigorously protect our environment and remain open to global investment,” said Baucus. **“I have long pushed for sound investment agreements to safeguard American investors abroad as well as tough environmental laws and regulations to secure our natural resources. Today we heard loudly and clearly that sound investment provisions and sound environmental laws are not mutually exclusive.”**

In the 1990s, Glamis Gold Ltd. sought to develop mining rights on public lands in California's Imperial Valley. In December 2003, Glamis filed a NAFTA arbitration case against the United States, alleging that certain environmental and other measures imposed by California and the U.S. federal government deprived the company of the value of its investment. As noted above, an ICSID panel dismissed all claims filed by Glamis, and ordered Glamis to pay two-thirds of the arbitration costs.

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