

# **NAFTA FREE TRADE COMMISSION JOINT STATEMENT**

## **FOURTH MEETING OF THE NORTH AMERICAN FREE TRADE AGREEMENT COMMISSION WASHINGTON, D.C.**

**March 20, 1997**

(Canadian Trade Minister Arthur Eggleton, Mexico's Secretary of Commerce and Industrial Development Herminio Blanco Mendoza and United States Trade Representative Charlene Barshefsky)

Today we reaffirmed our strong commitment to the NAFTA and its value in promoting trade, investment, economic growth and jobs in all of our countries. In this regard, we note that since the implementation of the NAFTA our trade with each other has increased by approximately 45 percent, with trade growing from significantly less than \$300 billion in 1993 to well over \$400 billion in 1996. It was acknowledged that the growth in trade is a clear indication of the success of the agreement and the benefits it brings to the companies and workers involved in North American free trade. We look forward to more trade, investment, economic growth and jobs as the NAFTA opens new opportunities. The NAFTA has also helped North American firms to become more competitive in the increasingly competitive global economy. We also emphasized the importance of the continued implementation of the NAFTA. We reiterated our view that Commission meetings serve as an invaluable method to ensure NAFTA implementation is proceeding in an appropriate manner.

We concluded the first round of tariff acceleration talks, and agreed to implement it by July 1, 1997. With this implementation, we will be eliminating tariffs more quickly than is called for under the NAFTA on a specified list of several dozen items. We noted the substantial interest of the private sector of all three countries to conduct a more comprehensive second tariff acceleration round. As a result, we instructed our officials to initiate the second round of tariff acceleration by May 1, and to conclude negotiations by December 15, 1997.

We adopted a recommendation from the trilateral Advisory Committee on Private Commercial Disputes that supports the utilization of alternative dispute resolution. This Committee was established pursuant to NAFTA Article 2022, and comprises both private sector members and government officials of each party, whose main task is to evaluate and promote the use of alternative means of dispute resolution for private commercial disputes. In accordance with Article 513 we agreed to implement certain technical modifications to the NAFTA rules of origin (Annex 401) to facilitate trade in response to a recommendation from the trilateral Working Group on Rules of Origin. These rectifications do not constitute substantive changes to the NAFTA and have

the sole purpose of establishing consistency between Annex 401 of the NAFTA and the Parties' tariff laws.

We approved rules for remuneration of expenses to panelists regarding NAFTA Chapter 19 and Chapter 20 dispute settlement cases. We agreed that our officials will meet in April to discuss the steps necessary to establish by September 1997 the NAFTA Coordinating Secretariat to assist the NAFTA Commission on technical matters. We also received and adopted reports regarding the work of the over 20 trilateral Committees and Working Groups addressing a broad range of NAFTA implementation issues. Noting that their work advances the objectives of the NAFTA, we directed them to continue their work in a manner that is forward looking as established in the NAFTA and its objectives. Ministers authorized release of the report of the NAFTA Trade Remedies Working Groups and noted that their work has been completed, in accordance with their mandate. The Governments will continue to consult, as appropriate under the NAFTA, on issues related to trade remedies with the objective of promoting fair trade and reducing the possibility of disputes, such as common problems posed by steel imports into the NAFTA countries.

We also discussed certain aspects of telecommunications standards setting (in Mexico) and agreed that this issue should be resolved promptly. We discussed a range of cross border transportation issues and reiterated our interest in resolving outstanding matters while recognizing our transportation officials are specifically addressing that agenda.

We noted the trade facilitating value of trilateral mutual recognition agreements in professional services, and discussed the status of work by professional associations including engineers, lawyers and architects. We discussed the implementation of the temporary entry provisions of the NAFTA and matters related to the government procurement provisions of the NAFTA. We reviewed sanitary and phytosanitary issues, particularly involving the U.S. and Mexico, and directed our officials to work with our Agriculture Ministries to resolve within the NAFTA outstanding issues promptly.

We discussed the value of effective cooperation with our respective Environment and Labor Ministers, and have directed our officials to pursue further cooperation with their Environment and Labor counterparts. We welcomed the progress to date in the Hemisphere and at the sub-regional level to liberalize trade. In the context of the Free Trade Area of the Americas (FTAA), we reiterated the importance of meeting the commitments set forth by the 1994 Summit of the Americas and subsequent hemispheric Trade Ministerial meetings. We discussed preparations for the FTAA Trade Ministerial meeting scheduled for May 1997 in Belo Horizonte, Brazil, recognizing its importance in determining how and when the FTAA negotiations should be launched.

We agreed that the next NAFTA Commission meeting at the Ministerial level will be held in Mexico in the first quarter of 1998.

## **Agreed NAFTA Tariff Acceleration Lists**

### **United States Acceleration List**

#### Product Descriptions

- Processed Artichokes
- Tahini
- Hexamethylenetetramine
- Polyethylene plastic tape laminated with thermoplastic adhesive
- Wooden venetian blinds
- Spandex monofilaments
- Metallized yarn
- Polypropylene woven fabric coated or laminated with plastic on one side only
- Printed cotton towels
- Barbecue briquettes
- Aircraft fasteners, threaded
- Aircraft fasteners, of nickel
- Casting-grade zinc, containing by weight less than 99.99% of zinc
- Aircraft fasteners, of titanium
- Electric switches, other than motor starter switches, for use in electrical products
- Certain bicycle parts
- Appliance timers

- Parts for appliance timers
- Brushes constituting parts of machines

### **Mexico Acceleration List**

#### Product Descriptions

- Processed Artichokes
- Tahini
- Sodium Cyanide
- 2-Ethyl-hexanol
- Lovastatin and simvastatin
- Trimethorpin and enalapril maleate
- Sulphamethoxazole and sulphamerazine
- Vitamin C and its derivatives
- Dexamethasone and gentamycin
- Tetracycline chlorohydrate
- Certain film products
- Polyethylene plastic tape laminated with thermoplastic adhesive
- Wooden venetian blinds
- Paper for masking tape
- Spandex monofilaments
- Metallized yarn
- Polypropylene woven fabric coated or laminated with plastic on one side only
- Printed cotton towels
- Ceramic tableware, other than of porcelain or china

- Aircraft fasteners
- Casting grade zinc
- Blanks and blades for scissors and shears
- Tobacco drying, pressure cleaning and excavating machines and their parts
- Dishwashers, clothes dryers and their parts
- Metal casting machines and certain metal processing machines

### **Canada Acceleration List**

#### Product Descriptions

- Tahini
- 2-Ethyl-hexanol
- Lovastatin and simvastatin
- Enalapril maleate
- Hexamethylenetetramine
- Sulphamerazine
- Tetracycline chlorohydrate
- Gentamycin
- Polyethylene plastic tape laminated with thermoplastic adhesive
- Wooden venetian blinds
- Spandex monofilaments
- Imitations of catgut
- Metallized yarn

- Barbecue briquettes
- Ceramic tableware, other than of porcelain or china
- Aircraft fasteners
- Blanks and Blades for scissors and shears
- Parts of tobacco drying machines
- Machines for cleaning by pressure
- Parts for excavating machines
- Bicycle components
- Appliance timers
- Parts for appliance timers
- Brushes constituting parts of machines